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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,018 — Tuesday March 8 1983 — D 8523 B

Businesses feel the pinch in Mexico, Page 5

NEWS SUMMARY

GENERAL

Castro accuses U.S. of death plot

Cuba's President Fidel Castro accused U.S. President Ronald Reagan of issuing orders to the Central Intelligence Agency to kill him and other Cuban leaders.

He was speaking on the first day of the New Delhi summit meeting on 99 non-aligned nations.

Indian Premier Indira Gandhi, who took over from him as the grouping's chairman, called for a major debt restructuring, with an early conference on money and finance for development, and for nations to send their heads of state to this autumn's United Nations general assembly in New York. She criticised arms expenditure and appealed to Iraq and Iran to end their war. Page 6

The White House last night denied the allegation.

China presses issues

China said it would override Soviet objections by raising the issues of Afghanistan and Kampuchea at Moscow talks to improve Soviet-China relations.

Jews attacked

Soviet weekly Literaturnaya Gazeta said that a secret international network of millionaire Jews financed Israel's invasion of Lebanon.

Lebanese takeover

Lebanese Army took control of access to an illegally run section of Beirut's port. Page 6

Oil man kidnapped

Colombian gunmen shot dead two bodyguards of American oil executive Kenneth Bishop, who works for a Texaco subsidiary, and kidnapped him.

Greek-U.S. talks

Greece and the U.S. resumed talks on renewing an agreement on American military bases in Greece.

Unfit for trial

An Iranian student supporter of the present regime, accused in Frankfurt of attacks on other Iranians, accused his jailers of brutality in their efforts to stop him appearing in court naked, with a safety pin sealing his lips. He was declared unfit to plead.

Industrialist's suicide

Italian police said Mario Lebole, 58, chairman of the troubled Giole clothing company, shot himself dead in the head at Arezzo, in Tuscany.

Bulawayo quiet

Bulawayo, the centre of support for Zimbabwe Opposition leader Joshua Nkomo, who is in hiding, was quiet yesterday, though troops and police were out in force. Page 6

Norwegians injured

Twenty Norwegians were being treated in hospital for injuries after weekend clashes near Oslo with British marines, who have been on military exercises there.

Briefly . . .

Bangladesh: New cholera outbreak in south has killed at least 30. More than 100 were feared drowned after crowded motorboat overturned in Rupsa river.

Tennis: Davis Cup results included Australia 4, Britain 1 – Argentina 3, United States 2 – Paraguay 3, Czechoslovakia 2.

Igor Markevitch, 70, Russian-born composer and conductor died in Antibes, following a heart attack.

Cathy Berberian, U.S. mezzosoprano, died in Rome after a heart attack.

BUSINESS

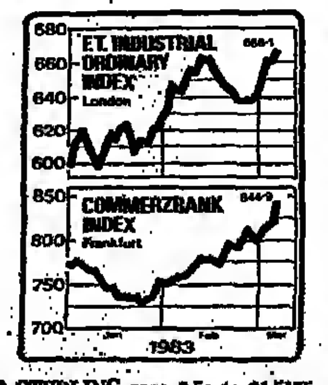
Australia devalues dollar by 10%

● AUSTRALIAN dollar was devalued by 10% last night, with immediate effect.

The move was followed by the suspension of all foreign exchange transactions in New Zealand until the Government decides what action to take concerning the New Zealand dollar.

● BRAZIL has agreed to drop its request for a delay on a $400m repayment, now to be made a week from today, on a $1.2bn loan from the Bank of International Settlements made in December. BIS-member central banks strongly objected. Page 18. The BIS is to lend Yugoslavia $300m immediately, with $200m more when arrangements for security are settled. Page 3

● DOLLAR fell to DM 2.391 (from DM 2.404), was unchanged at Y236, and rose to FFr 6.827 (FFr 6.82) and SwFr 2.045 (SwFr 2.044). Its Bank of England trade-weighted index slipped from Friday's 119.9 to 119.5. Page 36



● STERLING rose 0.5c to $1.5175, to FFr 10.36 (FFr 10.315), SwFr 3.105 (SwFr 3.095), and Y358.5 (Y357), but fell to DM 3.63 (DM 3.64). Its trade-weighting closed at 79.6, as on Friday. Page 36

● GOLD rose $9 in London to $421.5. In Frankfurt it rose $7.75 to $420.25, and in Zurich by $6.5 to $419.5. Page 33

● LONDON: FT Industrial Ordinary index rose 5.8 to 666.1 Government Securities showed gains averaging more than a quarter of one per cent. Page 29. FT Share Information Service. Pages 34, 35

● WALL STREET: Dow Jones Index closed up 0.78 at 1,141.71, Page 29.

● TOKYO: Nikkei Dow Index edged up 4.13 to 8041.15 Stock Exchange index went up 1.23 to 592.47. Pages 31, 34

● HONG KONG: Hang Seng index improved 28.31 to 1013.85. Pages 31, 34

● AUSTRALIAN all-shares index rose 0.9 to 513.4. Pages 31, 34

● FRANKFURT: Commerzbank index went up 22.6 to 844.9. Pages 31, 34

● JAPAN'S Finance Ministry plans to issue Y1,100bn ($4.7bn) of 10-year national bonds at 98 per cent. Page 20

● CUBA will resume talks this week about rescheduling its $1.2bn foreign debts, with a group representing 100 banks.

● SRI LANKA has reached agreement with the IMF for an extended fund facility of about $200m.

● INDIA has finally made a move to end the 14-month strike in Bombay's 60 textile mills by calling in militant union leader Dr Datta Samant. Page 6

● SUEZ CANAL record was set on Sunday when 67 vessels totalling 2.19m tonnes (daily average is 1.22m) paid $5m in dues.

● MONSANTO, the U.S. chemical group, and Montedison, the Italian chemical company, are to exchange European synthetic fibre interests in a bid to stem heavy losses. Page 18

West German shares soar in wake of election

French franc under pressure

BY JEREMY STONE IN LONDON, DAVID MARSH IN PARIS AND STEWART FLEMING IN FRANKFURT

WEST GERMAN share prices soared and the French franc fell sharply yesterday as European financial markets reacted to Chancellor Helmut Kohl's convincing general election victory.

In Frankfurt the Commerzbank index showed its sharpest rise for more than 22 years. The index now stands at 844.9, its highest since October 1978 and 10.7 per cent higher than at the beginning of the year.

The French franc came under heavy attack, as speculators piled into the D-Mark amid widespread expectations that EEC governments would soon decide on a realignment of the European Monetary System, ratifying a fall in the franc/D-Mark exchange rate.

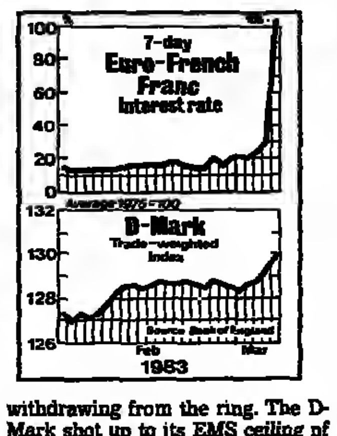
Despite fears that any agreement on oil prices would be undermined by Iran, sterling did not come under heavy pressure yesterday. It closed unchanged in London with an effective exchange rate of 79.6 against the Bank of England'a trade-weighted basket of currencies.

The dollar, also on the sidelines, lost some ground to close at an effective rate nf 119.5 – half a point lower than on Friday. The dollar lost 1.3 pfennigs in London to close at DM 2.3910.

In London the FT Industrial Ordinary index rose 5.8 to close at a record 666.1, fuelled by mounting optimism about the prospects for world economic recovery. Better-than-expected wholesale price figures also gave firmness to the government securities market, particularly in longer dated gilt-edged stocks.

Intervention by the Bank of France to support the franc yesterday morning was estimated to have cost at least $200m and perhaps as much as $500m in an hour's heavy trading. "The bank was like a boxer taking punches on all sides," one Paris dealer said.

Then the Bank changed its tactics, at about 10am, temporarily



withdrawing from the ring. The D-Mark shot up to its EMS ceiling nf FFr 2.8935, up 2.2 per cent from its opening rate. Dealers said that for a few minutes the D-Mark broke out of the EMS system to be quoted, amid great confusion, around FFr 2.90.

Later the foreign exchanges calmed, and with operators taking profits by buying back francs, the French currency firmed without need of more central bank support. The D-Mark closed in Paris around FFr 2.85, still showing a rise compared with Friday night of about 0.6 per cent.

A key factor behind the franc's recovery was the very sharp rise in interest rates on Eurofranc deposits in international banking centres. The Bank of France intervened indirectly, using banks in foreign centres to drive up the rates to between 100 and 200 per cent for overnight money, while rates as high as 120 per cent were quoted for one-week money. Even for the one-month position, rates were seen at about 60 per cent.

This action, making short positions in the franc punitively expensive to finance, helped drive big institutional operators like multinatinnal companies into buying back francs during the afternoon.Dealers accorded some grudging admiratinn to the manceuvre, saying that the central bank had behaved very professionally.

Pressure is almost certain to build up against the franc and nther weak EMS currencies before the weekend, as dealers defend themselves against a possible realignment.

Realignments normally take place at the weekend, as the EEC finance ministers can then reach a decision while all markets are shut.

Nevertheless, some are prepared fnr a realignment to be announced at any moment.

● In early New York trading the French franc, which closed in London at 6.827 to the dollar, was being quoted at FFr 6.82. The D-mark bad strengthened further, at DM 2.3883, while sterling had retreated to $1.5110, down 65 points from the London close.

Market reports, Page 29

Iranian obstacle to Opec unity bid

By Richard Johns and Ray Dafter in London

THE ORGANISATION of Petroleum Exporting Countries (Opec) will again try to agree today on lower prices and production quotas in the face of tough Iranian nppositIon to the broad consensus reached last week. The attempt will be aided by apparent Nigerian willingness tn rnise its prices after its heavy cuts a fnrtnight ago.

Informal consultatinns between eight nf the 13 Opec members last week settled nn a new nil reference price for Saudi marker crude of $29 to $30 a barrel compared with the present $34, and a ceiling nn collective output of 17.5m b/d for the rest of the year.

This compares with an 18.5m b/d limit agreed in December, but with actual output a low as 13.5m b/d at the end of last month.

The full ministerial meeting, scheduled to begin in London last night, was postponed until today for the arrival of Mr Mohammed Gharazi, Iran's oil minister.

Iran's refusal to accept a $4 to $5 cut in the present reference price of $34 per barrel and its demand that Saudi Arabia be limited to a quota of only 3m b/d, is the major obstacle to an agreemeot.

Sheikh Ahmed Zaki Yamani, Saudi oil minister, is understood to have been instructed by King Fahd to bold for 6m b/d. Riyadh would probably settle for 5m b/d but senior delegates believe production would have to be limited to no more than 4.5m b/d if there were to be any cbance of reaching an agreement with Iran.

Saudi Arabia's ceiling, in force for nearly a year, is notionally 7m b/d but as a result of its adherence to the $34 reference the rate has slumped to little more than 4m b/d.

Mr Gharazi said yesterday Iran would "never" agree to a cut In the reference, even if other members consented to an allocatinn considered satisfactory by the Tehran regime, which wants an output of 3.2m b/d, rather more than it is believed to have been producing recently.

Iran, which has recently been asking only $27 a barrel for crude equivalent to the Arabian light marker, is determined to reduce drastically the level of Saudi output.

Various proposals on production sharing have all given Saudi Arabia 5m b/d and Iran only 2.25m b/d, according to one senior delegate.

On the positive side, one of the stumblingblocks previously facing an accord on a new price structure was said to have been removed by

Continued on Page 18

Election may lead to Mauroy reshuffle

BY DAVID HOUSEGO IN PARIS

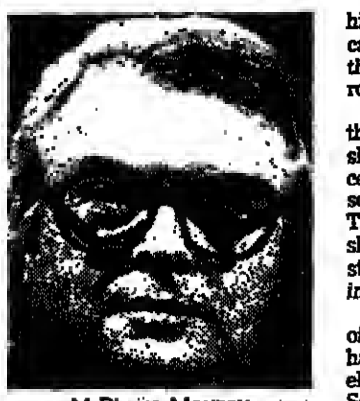
FRANCE's Socialist Government, which suffered a damaging reverse in the first round of the municipal elections on Sunday, yesterday began to rally its supporters in a bid to limit its losses in the second round next Sunday.

The unexpected scale of its setback is seen as hastening a reshuffle of the Government of M Pierre Mauroy, the Prime Minister, possibly leading to the replacement of M Mauroy himself. He has in any case been expected to step down before the end of the year. In conjunction with the victory in West Germany of Chancellor Helmut Kohl, it was also seen as making inevitable a devaluation of the franc in the near future accompanied by new restrictive measures to curb France's trade deficit and inflation rate.

The franc fell to its floor of FFr 2.8985 against the DM in hectic trading yesterday morning.

The Government, however, is determined to avoid a realignment and a tightening of policies before the second round of the poll next Sunday. Dealers believe that the most likely dates for a currency readjustment are, therefore, the weekends of March 20 or 27.

President Mitterrand would like a strong revaluation of the DM to minimise a franc devaluation, which in the short run is regarded as adding unnecessarily to France's



M Pierre Mauroy

import bill. The French Cabinet is, however, divided over how severe the accompanying austerity package should be. A strong lobby within the Socialist Party favours fresh curbs on imports which would be unacceptable to West Germany.

The final results of the first round gave the opposition neo-Gaullist RPR fo M Jacques Chirac, mayor of Paris and the centrist UDF of former President Giscard d'Estaing an absolute majority of the votes. They scored 51.5 per cent as compared with the 46.3 per cent in the first round of the last municipal election in 1977.

M Chirac's party did better than M Giscard d'Estaing's and M Chirac himself scored a personal victory in capturing for the opposition 18 of the 20 districts of Paris in the first round.

The Socialists, Communists and their allies on the left saw their share of the vote drop to 46.5 per cent from the 50.8 per cent they scored in the first round in 1977. The Communist vote dropped sharply in the former party strongholds in the Paris region and in the Rhône valley.

Already the left has lost control of 16 towns of more than 30,000 inhabitants in the first round. M Lionel Jospin, the First Secretary of the Socialist Party, said before the election that losses of 15 towns would be "normal." Total losses after the second round, when 68 of the 221 towns with populations over 30,000 are involved in run-off fights, could be between 30 and 50 according to commentators yesterday.

Normally in French elections, the second round contest amplifies the trend in the first round.

Comments by opposition leaders were restrained yesterday with M Giscard d'Estaing declaring that France "breathes again." The oppositinn does not want to cry victory too early, but a further success next week could well provoke renewed demands for the dissolution of the National Assembly. Mr Mitterrand has said he would refuse this.

Victorious Kohl seeks to avert power struggle

BY JAMES BUCHAN IN BONN

CHANCELLOR Helmut Kohl, whose centre-right coalition was triumphantly confirmed in power in Sunday's West German elections, yesterday did his utmost to squash a potentially divisive debate on the share-out of influence between his government's two minor partners.

At a Bonn press conference yesterday be parried all questions on a new division of the ministries to reflect the strong performance of the Bavarian Christian Social Union (CSU). With 10.6 per cent of Sunday's vote, the CSU overtook the liberal Free Democrat Party (FDP), whose share fell to 6.9 per cent.

The chief speculation has concerned Herr Franz Josef Strauss, the CSU chairman, and whether he will try to use his success to dislodge the FDP's Hans-Dietrich Genscher from the Vice-Chancellorship and the Foreign Ministry.

Herr Kohl said, however, that a meeting set for yesterday evening with the Bavarian Prime Minister in Bonn was "a wholly normal event" and indicated that serious coalition negotiations would not take place until after next Sunday's election in Schleswig-Holstein state.

VOTING FIGURES

	Percentage of second vote 1983	(1980)	Seats 1983	(1980)
CDU	38.2	(34.2)	191	(174)
CSU	10.6	(10.3)	53	(52)
SPD	38.2	(42.9)	193	(218)
FDP	6.9	(10.6)	34	(53)
Greens	5.6	(1.5)	27	(–)

Turnout 89.1% (88.6% in 1980)

The strong impression in Bonn yesterday and on Sunday evening was that Herr Genscher wnuld remain Foreign Minister, whatever the fate of the other three portfolios in FDP hands.

Having campaigned hard for "continuity" German foreign policy as embodied in Herr Genscher, the FDP is emphasing that it will defend the Foreign Ministry to the hilt, and Herr Kohl certainly wishes to avoid a quarrel in the coalition that would tarnish Sunday's shining result.

At the same time, Herr Strauss's right-wing views and strong language have often proved as distasteful to Herr Kohl's Christian Democrats as to the FDP.

Editorial comment and feature, Page 16; Lex, Page 18

Allied Irish to pay $150m for majority stake in U.S. banks

BY OUR DUBLIN CORRESPONDENT

ALLIED IRISH Banks, Ireland's biggest banking group, is to acquire a majority interest over the next five years in First Maryland Bancorp at an estimated cost of $150m.

The investment would be by far the largest ever made by an Irish bank, and would rank among the top half-dozen foreign purchases of U.S. banking groups.

First Maryland Bancorp is the Holding company for First National Bank of Maryland, the 77th largest Bank in the U.S., with assets of $3.3bn. It has 127 branches in Maryland and offices in New York, Washington, Chicago and Pennsylvania. It is also a recognised bank in London.

FMB has a total staff of 3,418 with assets of $3.33bn and an average after-tax profit of 16.1 per cent during the past five years.

AIB, which has assets of over Ir£8bn will purchase a 43 per cent interest in First Maryland Bancorp over the next four years. The Irish Bank is initially to make a tender offer to acquire 1.8m shares from the stockholders of First Maryland at $35 a share. This is expected to be completed by the summer.

In addition, First Maryland will issue 800,000 new shares directly to AIB at $40 a share

During the next four years, First Maryland will sell an additional 1m new shares to AIB at prices between 100 per cent and 115 per cent of book valua per share. AIB estimates the probable total cost of these purchases at approximately $150m.

This is by far the largest investment decision by any Irish banking group and represents the fifth largest investment by any foreign group in a U.S. bank.

AIB's chief executive, Mr Patrick O'Keeffe, said the investment "positinns the group for the future when the world climbs out of the present recessionary trough."

He admitted that current U.S. bank regulations could impose a ceiling nf 24.9 per cent on AIB's share of the U.S. bank's voting rights, but be expressed confidence that this was a difficulty that could be overcome in the short term by AIB's bnlding the proportion of FMB stock over the 25 per cent mark in convertible non-voting form.

Initial approaches have already been made to the U.S. Federal Reserve Board and to the state regulatory authorities by AIB, which has already obtained approval from the Central Bank in Dublin.

FMB's shares, which are traded on the New York over-the-counter market, had been suspended at the weekend following press reports of an impending deal.

At a press conference yesterday Mr O'Keeffe denied that AIB's move was a vote of no confidence in the Irish economy, though he agreed that Ireland's credit rating had been poor.

Mr Gerard Scanlan, AIB's general manager for group development, said Ireland's credit rating had diminished somewhat in recent years, and it was "very significant" that a major U.S. bank was prepared to accept AIB in a senior partnership role.

Mr O'Keeffe said AIB might eventually seek a quotatinn in the U.S., and be pointed out that the deal would not involve any movement of capital out of the Republic.

Lex, Page 18

CONTENTS

Left takes a drubbing in first round of France's municipal poll clash

BY DAVID HOUSEGO IN PARIS

THERE COULD be no more dramalic image of the humiliating reversal suffered by the Left In the first round of the Freud municipal elections than the crumpled face of M Lionel Jospin on televislon late oo Sunuday. The first secretary of the Soclalist Party was trying botb to conceal his disappointment and to rally his dispirited troops for the second round next Sunday.

M Jospin suffered a double blow. He headed tbe Socialist and Communist list of candidates in the sprawling 18th arrondissement in the north of Paris—a mixed area but with a strong working class and immigrant population—and which he representa as deputy in the National Assembly.

The opposition made a calculated bid to topple hlm and put up M Alain Juppe (38), a quiet but able Inspecteur de Finance, who has been in charge of Paris's financies. He is a elose colleague of M Jacques Chirac, the mayor, and spokesman on the economy for M Chirac's neo-Gaullist RPR.

Even two weeks ago, M Juppe was admltting that there had been a swing back to the government. Yet he defeated M Jospin outright In the first round, gaining a staggering 53.8 per cent of the votes against bis opponent's 35.1 per cent.

It was an outcome that neither of them had anticipated—but that could also be said for lhe results in a great many municipalities which swung to the opposition at the weekend.

The second blow to M Jospin was at national level. He inherited the party leadership from M Mitterrand who built up Its organisation from modest origins to the successful machine that woo the presidency in 1981. It Is now split into factions that reflect the quarrels within the Government over social and economic policy. Sunday's election showed that it has lost steam as a vote-winning mechanism.

The swing against the Left was nationwide. The Communists, Socialists and their allies, polled 46.5 per cent of the vote—less than the 47 per cent that M Pierre Mauroy, the Prime Minister, defined two months ago as "the low water-mark" of the Left. This compares with the 51 per cent they obtained in the last municipal elections of 1977 and the 54 per cent they won in the second round of the 1981 presidential election.

The centrist and right-wing parties—combining the RPR and the UDF of former President Giscard d'Estaing—can once again claim to be io a majority having polled 51.5 per cent.

The Socialists did least well in the largest cities where votes are most determined by national issues and where there are growing problems of violence and race. All but two of the 20 districts In Paris have gone to the opposition and these are likely to fall in the second round. In traditional Left-wing strongholds, like Marseilles, or the northern conurbations around Lille, the Socialists have suffered nnexpected setbacks.

By contrast, the Socialists have hung on to control of smaller towns like Bourges, Thionville, Roanne, Poitiers and Chartres where the personality of the mayor carries more local weight.

The Communists appear to have fared worse—in particular in the so-called "Red" belt around Paris—though it is not always easy to separate out tbeir vote from that of the Socialists in the combined lists. But their weakness inevitably raises questions about their own strategy and about their future role in the coalition.

Of the opposition parties, it was the RPR which gained the most striking successes, heading the winning list where the Right won outright in towns like Grenoble (a Socialist bastion for 18 years), Brest, Rheims, Nantes, Epinal and Avignon. In sweeping up Paris, M Chirac scored a personal triumph inevitably putting him ahead of M Giscard d'Estaing and former Prime Minister Raymond Barre as future presidential candidates.

The full reasons for the turn-about are still not clear. M Philippe Tesson, editor of the right-wing Le Quotidien put forward one explanation which is bound to be much repeated as the opposition attempts to persuade M Mitterrand to water down bis programme.

It is that M Mitterrand was not elected to carry out radical change and that he has gone to far with Socialist policies like nationalisation. The Left does seem to have lost the backing of the professional and salaried elasses whose support it largely had in 1981.

Mr Jospin blamed the reverse on the unpopularity of governments during a recession and on the unpleasant decisions they have to take. Though the Government did see its popularity drop after last June's prices and wages freeze, it has suffered equally from a loss of confidence in its economic management and from the impression that it has no clear sense of direction In economic policy.

A further reason for the left's reversal is probably that a great many middle-of-the-road voters do not like Communists in the Government. This will have to be a factor in M Mitterrand's calculations as he plans his strategy for the legislative elections in 1986 and the presidential contest in 1988.

W. German markets boom, Page 3

Bank's intervention tactics switch has dealers in spin

BY DAVID MARSH IN PARIS

WHEN THE French franc eame under heavy pressure in the European Monetary System, in the aftermath of poor results for the Socialists in cantonal elections last March, it took three weeks for it to slide from its eentral point to its floor in the scheme against the D-Mark.

Yesterday morning, in the wake of the swing to the Right in both West Germany and France in Sunday'a elections, the same move took place within a few minutes.

Up to shortly before 10 am, heavy purchases of francs and sales of U.S. dollars by the Bank of France kept the franc steady at around FFr 2.8355 to the D-Mark, similar to Friday's level and just below its EMS mid-point of FFr 2.8339. Then, in a dramatie switch of intervention tactics which took dealers by surprise, the Bank of France withdrew its support at this level and the franc quickly dropped 6 centimes to its floor of FFr 2.8985. At the same time, the franc dropped to FFr 6.90 to the dollar from FFr 6.83.

Pressure on the franc was reflected in a sharp inerease in Eurofranc interest rates which soared to more than 100 per cent for very short-term rates.

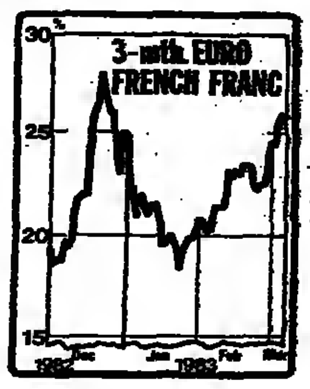
"People panicked," sald one dealer yesterday. "Everyone started to sell francs." Some dealers interpreted the sudden withdrawal as a sign that the Government was allowing the franc to float freely outside the EEC currency stabilisation scheme (as President Valery Giscard d'Estaing did when he pulled the franc out of the "snake" seven years ago). The Bank of France was forced later in the morning to affirm reassuringly to the exchange market that the franc was staying in the EMS.

Officials yesterday explained that the switch of taetics was a deliberate move to allow the franc to descend to its EMS floor—where central bank intervention is obligatory. The sudden drop gave currency operators the chance to realise quick profits by buying back francs, which thus took immediate pressure off the currency.

More importantly, it allowed the French authoritiea to draw on the unlimited EMS mutual support facilities provided by the European Monetary Co-operation Fund (EMCF). This mechanism, under which central banks borrow currency ammnnition from each other for repayment after a maximum period of about seven and a half months, comes into effect only when member currencies reach their EMS limits.

The French Finance Ministry reaffirmed yesterday the Government's commitment to the EMS and sald the franc would not withdraw. There ia no doubt, however, io the minds of currency dealers and even some officials that a realignment will have to take place. The only questions—complicated ones—are on the timeing, sizes of the expected revaluation of the D-Mark (accompanied probably by the guilder) and the devaluation of the French frane (along with, probably, other "weak" currencies like the lira and the Danish krone), and the scale of any accompanying anti-inflation measures from the French Government.

Until the realignment is decided, the French authorities have plenty of currency reserves in hand to support the franc. Following the full drawing of $6bn in loans from the Euromarket and from Saudi Arabia, currency reserves at the end of January totalled about FFr 49bn. Intervention towards tbe end of February was depleting the stocks by about FFr 6bn a week, bnt currency support can now be financed by EMCF drawings.



Crucially, yesterday's French franc plunge to its D-Mark floor imposes an equal obligation on the West German Bundesbank to defend the French currency (as well as the Belgian franc and the Danish krone, which are also at their D-Mark limits) through selling D-Marks.

World fair for Paris moves step forward

BY OUR PARIS CORRESPONDENT

PREPARATIONS FOR the World Exhibition to be held in Paris in 1989 have taken a step forward with the unexpected nomination by President Francois Mitterrand of M Gilbert Trigano, president of Club Mediterrannee, to be the cbief executive.

The idea of holding another world exhibition in Paris—the first was held in 1889 and the most recent in 1937—was launched some five years ago by M Marcel Dassault, the aircraft manufacturer. He saw it initially as a way of encouraging crafts and, later, of promoting jobs and exports. The project was enthusiastically taken up and enlarged by M Mitterrand after he became President as a fitting way to commemmorate the 200th anniversary of the French Revolution.

In choosing M Trigano to manage the exhibition, M Mitterrand evidently has in mind the need to make It a commercial success and to provide aeeommodation for the 65m visitors expected. Initial estimates put the cost at around FFr 30bn (£2.8bn) including the transport infrastucture.

Ambitious plans are already being drawn up for two large exhibition sites in Paris. One will be on the west bank of the Seine down stream from the Eiffel Tower and close to the Mirabeau and Garigliano bridges. The other, to the east, will embrace a large area also bordering the Seine and adjacent to the Tolbiac district. One proposal is to construct here a mediaevel style bridge across the river that will incorporate parts of the exhibition.

The massive public works programme involved has already attracted criticism on the grounds of cost and of burying Paris under concrete. But it is only part of the building plans that M Mitterrand has initiated for Paris.

Others include a new opera house at the Bastille, a science and technical museum at La Villette where a park is also to be created, the enlargement of the Louvre by including what is now the Ministry of Finance and the transformation of the Gare d'Orsay into a museum on the Left Bank.

Club Mediterrannee said yesterday that M Trigano would not necessarily step down as chairman. He is expected, however, to move from the company in a few months.

Irish body wants controls on investment incentives

BY HAZEL DUFFY IN DUBLIN

THE Industrial Development Authority of Ireland is calling on the European Commission to exercise control over the proliferation of incentives, some of them hidden, which are being used by EEC countries to attract investment projects.

Mr Padraic White, the IDA managing director, is particularly concerned about the "increasing abuse of public sector purchasing policy which could lead to a distortion of free trade and infinence investment policies whleh would be against EEC principles."

He maintains that some development agencies are suggesting that the public sector purchases of their governments and state bodies will be influenced strongly by the decision of a company to locate a plant in that particular country.

A recent example cited by Mr White is that of the Scottish Development Agency which hinted strongly that the National Health Service would be likely to buy from a foreign company if it located in Scotland, thus satisfying the NHS's preference for "buying British."

The IDA has been one of the most successful European ageneies in attracting investment by foreign-owned companies. Competition for such projects has always been intense, but the recession and the growing pressure on governments to provide new jobs is increasing the competition.

The Irish claim that all of the incentives they offer have been the subject of discussions and agreements within the EEC, but that some of the incentives being offered elsewhere do not come into this category. The failure of the EEC to put a limit on sector and regional aids, maintains Mr White, is now leading to the "proliferation of zones of varying degrees of attractiveness, and sometimes to needless competition."

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EUROPEAN NEWS

Yugoslavia secures first part of $500m loan

By Peter Montagnon in Basle

THE Bank for International Settlements yesterday agreed to lend Yugoslavia $300m immediately with a promise of $200m to follow once final arrangements for collateral are in place.

The six-month loan is a key part of the $4.5bn international rescue package being arranged for Yugoslavia to help it through problems servicing its $19bn foreign debt.

It has been delayed for several weeks because of problems with collateral affecting the $200m portion that is to be secured by Yugoslavia's gold reserves. The $300m made available yesterday is guaranteed by member central banks of the BIS.

The collateral problem arose because Yugoslavia had first to obtain authorisation from other creditors to pledge its gold to the BIS. Such an authorisation is required under so-called "negative pledge clauses" in existing loan agreements with commercial banks which do not enjoy the benefit of gold collateral in their loans.

Yugoslavia has had to ask its commercial bank creditors to waive such negative pledge clauses. It is understood that not all such waivers are yet formally in place, although senior central bankers said yesterday that all banks involved had now agreed verbally to waive the clauses.

The decision to go ahead with the loan marks an end to one of the most difficult negotiations ever undertaken by the BIS. Yugoslavia met strong opposition from member central banks when it asked for a three-year loan last autumn.

The BIS lends only short-term money in the formb of bridging finance. This transaction for Yugoslavia is intended to tide it over until an expected drawing of about $600m from International Monetary Fund.

Yugoslavia badly needs the cash to see it through until tourist revenues start to flow in two to three months' time. These revenues are a vital part of the country's foreign exchange cash flow, and some central bankers are now worried that the country's well-publicised economic problems could put a damper n ntourism business this year.

Belgian bank risks triggering row over jobs

By Giles Merritt in Brussels

KREDIETBANK, the major Belgian clearing bank, has risked triggering a political furore in Brussels by questioning the country's chances of a return to full employment by 1990.

In a special report entitled Full Employment in 1990?, Kredietbank has laid emphasis on the economic growth targets that Belgium would need to meet if its present EEC record-holding jobless rate is to be reduced from its present 700,000-plus unemployed (around 15 per cent), to the level of 90,000, which could be considered "full employment."

In doing so, Kredietbank has given credence to the unthinkable possibility that Belgium's unemployment rates may be frozen around their present levels.

In what is otherwise a tentative analysis of the effects of high structural unemployment on Belgium's deficit-ridden finances, Kredietbank economists have pointed out that the country needs to achieve during the 1980s an annual 1.7 per cent growth in employment.

This, they say, would require not only an expansionist 3 per cent economic growth rate, but also a potentially dangerous slowdown in productivity.

ANTI-MISSILES FIGHT TO CONTINUE IN AND OUT OF PARLIAMENT

Greens promise more direct action

BY JAMES BUCHAN IN BONN

WEST GERMANY'S Greens, party of pacificists and ecologists, which won 27 seats in the Bonn Parliament at Sunday's general election, made clear yesterday that its entry into the Bundestag would not mark a halt to direct action for environmental and disarmament goals.

At a new conference in Bonn yesterday, Frau Maren-Griesebach, a member of the party executive, said that extra-parliamentary activity would "strengthen our influence inside Parliament."

In addition to their overriding aim of preventing new Nato nuclear missiles being stationed in West Germany they will also conduct a campaign both in and outside Parliament against a national census due to be conducted in April.

What is making some deputies of the other four political parties anxious is what Frau Maren calls the "wholly new quality" that the Greens will bring to Bundestag business. The aim is to make government "transparent" to the public, said Frau Petra Kelly, a Bavarian deputy.

Herr Otto Schily, a West Berlin lawyer who will sit in the Bundestag, said one of the group's first acts would be to push for a parliamentary commission of inquiry into the so-called "Flick affair," where investigations are uder way into contributions to the financing of the established parties.

The Grens will also seek to make public the proposed sites for the Persbing 2 and Cruise missiles which West Germany is due to receive if U.S.-Soviet disarmament talks fail. Unlike the governments in Britain and Italy, the present and former Bonn Governments have refused to publish the sites.

Whether the Greens deputies will also publish other committee work on security matters they take part in was not clear. "We are leaning towards making public everything that is of interest to the public, but we will stay by the law," Herr Schily said.

Another problem is whether the Greens' decision to rotate their deputies half-way through their four-year term to prevent bourgeois tendencies developing is constitutional.

Although the party said it was ready to co-operate with the opposition Social Democrats "on substantive issues," it is clearly dejected by the clear victory achieved by the Government parties on Sunday. "Apart from the Greens' result," said Herr Rainer Trampert, the party executive spokesman, "I would call the election result catastrophic."

Fran Kelly: "Transparency"

West German financial markets boom in wake of election result

BY STEWART FLEMING AND JOHN DAVIES IN FRANKFURT

A WAVE of euphoria swept through the West German financial markets yesterday in the wake of Herr Helmut Kohl's convincing victory in the general election on Sunday.

In spite of the strong gains which bond and share prices recorded in the previous three weeks in anticipation of this result, prices in the bond market firmed and the stock market boomed. In what one dealer described as the heaviest trading in his eight years on the Bourse, the Commerzbank index soared 22.6 points to a new peak for the year of 844.9.

It was the biggest jump since the 35.5 point gain on July 4, 1960, a time when foreign investors were rushing to benefit from the post-war economic upswing and D-mark revaluation prospects.

Frankfurt's elation added to the problems facing the French Government in Paris. On the currency markets the D-mark surged in response to both Chancellor Kohl's election victory and the growing conviction that the West German currency will have to be revalued within the European Monetary System.

The strength of the D-mark is one factor which is seen as pressing the Bundesbank to take further steps to ease its monetary policy.

The D-mark rose to 2.36 against the dollar early yesterday morning but was fixed at midday at DM 2.3920 compared with DM 2.4198 on Friday.

The weakness of the domestic economy, falling inflation rates and the strength of the balance of payments current account, plus hints from the Bundesbank about pushing interest rates down, are all put forward as reasons to expect the central bank to cut its Lombard and discount rates from the current 6 per cent and 5 per cent.

In the money markets, short-term rates fell around 10 basis point to 5.75 per cent for overnight money, and the average yield on government securities fell to 7.30 per cent compared with 7.44 per cent on Friday and 7.75 per cent at the beginning of the year.

However, it was the stock market that saw the real fireworks.

"People were buying everything—even shares which we consider to be of rather low quality," one dealer said.

There was also some profit-taking from institutional investors, mainly in Britain and the U.S., which had placed selling orders last week in anticipation of a strong rally. However, the mood to buy was so strong that the market readily absorbed selling orders.

Widespread relief expressed in the West at Kohl's clear victory

REAGAN ADMINISTRATION officials were openly jubilant yesterday about the Conservative victory in West Germany. Their favourable comments focused mainly on the election's implications for Nato missile deployment and the strengthening of the alliance. But they were also pleased that the election had brought back a government whose attitude to economic issues was close to that of President Ronald Reagan, writes Anatole Kaletsky in Washington.

Above all, there was relief that the voters had made a clear choice. One of the State Department's biggest worries had been a very close election, which might have left both the main parties unable to form a strong coalition and made the country "ungovernable."

While Herr Helmut Kohl's victory removes some of the external pressure on the U.S. in the intermediate-range nuclear arms talks in Geneva, Washington officials predict that a compromise with the Soviet Union will now be easier to achieve. Because Moscow can no longer hope that U.S. missile deployment in West Germany will be blocked by public opinion in that country, it will have a much greater incentive to make genuine concessions.

The U.S., too, is considered more likely to shift from its single-minded insistence on the "zero option," which requires the Soviet Union to eliminate all its medium-range missiles in Europe. A new U.S. proposal, calling for a reduction in the number of some Soviet missiles in Europe, but not their total elimination, is likely to be presented soon, U.S. officials say.

● **Moscow:** Concern that the result will strengthen the U.S. hand at the intermediate missile negotiations in Geneva was the dominant theme of initial Soviet reaction, writes Anthony Robinson. The semi-official Novosti press agency said the result was the consequence of playing with the fears of the unemployed, "but by no means should serve as an indication of weakened mass opposition to plans for deployment of U.S. nuclear missiles."

At the same time it warned the incoming government that the Soviet reaction "would not be hard to guess if it attempts to shield itself from a drastic and mutually acceptable solution of the problem with some intermediate options being prepared in Washington."

The Soviet Union openly supported the West German Social Democrats in a way which tarred Herr Hans-Jochen Vogel as "Moscow's candidate" and provoked protests about interference in West German internal affairs. Moscow had hoped that a Social Democrat victory would delay indefinitely introduction of the new missiles.

● **Brussels:** Chancellor Kohl's resounding victory was greeted yesterday with deep satisfaction in both Nato and the European Community as strengthening the Western position on intermediate nuclear missile deployment and clearing the way for progress on other lesser issues, writes John Wyles.

Within Nato some diplomats thought that Moscow might take a more "constructive" line in the Geneva talks on intermediate nuclear force disarmament now that there is a newly elected government in Bonn committed to deploying cruise and Pershing missiles if the negotiations fail.

Others, however, doubt that the Soviet Union will show any real flexibility until Nato's five European members actually begin deploying the missiles in the last quarter of the year.

Meanwhile, EEC officials are expecting a more consistent performance over the next three months from the West German presidency of the EEC's Council of Ministers.

Electoral politics has dominated its handling of the presidency since the start of the year. In the remaining three months, it is hoped within the Commission that Bonn will start to grapple with such issues as the restructuring of its steel industry in line with EEC objectives and with possible measures to add to the Community's budget revenues.

Of greatest immediate interest will be the identity of the Minister for Agriculture. Herr Josef Ertl, the FDP minister who held the job for more than a decade, is expected to step down. If he is replaced by a Christian Democrat, West Germany is expected to take a more restrictive line on EEC farm spending.

● **London:** The result provides a useful filip to Mrs Margaret Thatcher, the British Prime Minister, in what is almost certain to be an election year, writes John Hunt. It is seen as a vote of confidence in Herr Kohl's determination to instal cruise and Pershing missiles on West German soil. This provides useful support for the Conservative Government's plans to site the missiles in Britain.

It comes at a critical time when the Government is mounting a large-scale campaign to counteract the massive publicity which the Campaign for Nuclear Disarmament has received for its demonstrations against cruise and its demands for unilateral nuclear disarmament.

Mrs Thatcher also sees the return of Herr Kohl — with his insistence on sound money — as a victory for the same type of anti-inflationary policy.

● **Paris:** The French Government expressed immense relief yesterday at seeing an administration emerge in Bonn with a clear majority, writes David Housego.

France's fear had long been that the West German election would produce an indecisive result and that, for the first time since the war, there would be a weak and divided government across the Rhine.

The additional blessing is that Herr Kohl and President Francois Mitterrand see eye-to-eye over the deployment of intermediate range missiles in Europe.

But against these factors must be set the fear that the negotiations over the serious outstanding economic issues—put on ice during the election period—are likely to prove more difficult with a conservative Christian Democrat administration.

With yesterday's plunge of the French franc, the most immediate of these problems is a realignment within the EMS where the French hope that West Germany will take the bulk of the strain by revaluing the D-Mark.

● **Rome:** The Italian Government is pleased and relieved, Sig Emilio Colombo, the Foreign Minister, said yesterday, writes James Buxton. The West German electorate has "rejected the attempts by the East bloc to influence them on the fundamental problem of common defence," he said.

The Italian Government would have been in a difficult position if the Social Democrats had won, since Italy is firmly committed to the installation of cruise missiles on its soil and was afraid of being isolated in continental Europe, with the risk that the small Italian peace movement would have received a boost.

Italian Communists set for period of isolation

BY JAMES BUXTON IN ROME

THE Italian Communist Party—the largest in Central Europe—has set out on what promises to be a very long march to power after its first congress for four years ended in Milan on Sunday night.

Despite invitations of varying warmth to the Italian Socialist Party to join the Communists (PCI) in presenting a left-wing alternative to Christian Democrat-led rule in Italy, the party seems resigned to isolation.

The congress sanctified the current strategy of the "democratic alternative," with or without partners, which the PCI has been working towards since the failure of the "historic compromise" strategy—the idea that the PCI would come to power in a coalition with the Christian Democrats (DC), the country's biggest party.

The historic compromise failed, especially in the eyes of most of the party's rank and file, after the PCI gave parliamentary support to the DC in the 1976-79 period.

The PCI is left to keeping intact its undoubted power as vote-producing machine. Yet even that is in some doubt: on present form, the PCI would poll less than the 30 per cent it won in 1979

Why then did the party make so little of what outsiders might consider the most important event of the congress: the confirmation at the weekend of the PCI's "break" with, or at least its distancing itself from, the Soviet Union? The break came after the imposition of martial law in Poland when Sig Enrico Berlinguer, the party secretary, declared that the Soviet model was no longer appropriate

The central committee member who leads the small minority—estimated at between 10 and 15 per cent of the party) favouring stronger links with Moscow, won polite applause but in the end withdrew his amendments to the official line.

The fact that the issue was not emphasised and that textual analysis of Sig Berlinguer's congress speeches can be represented as a slight softening of the anti-Soviet line suggest that the first priority of the leadership is to keep the party's unity intact.

Similarly, Sig Berlinguer, whose position, after 11 years, is unchallenged, managed to deflect calls for a substantial loosening of the party's internal discipline and secretiveness — known as "democratic centralism."

Polish Communists warned about persisting pro-Solidarity action

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH Communist leadership has warned its members that a steady undercurrent of pro-Solidarity activity still persists in the country.

This warning comes as the Government is wracked with debate on how to cut personal incomes in line with the meagre supply of goods to the shops without provoking a popular outburst.

A telex sent daily by party headquarters in Warsaw to the 49 provincial centres reveals that one day last week officials were reporting "expressions of hostile activity in 14 provinces"—less than last year but still considerable.

Meanwhile, a communique published at the weekend following an important ministerial meeting on the draft 1983 economic plan shows that growth in national income of 10.1 per cent to 11.7 per cent is envisaged.

The plan, still to be approved by Parliament, also foresees that 1.6 per cent of the economic growth in the next three years will be used to service Poland's debts.

The central committee telex reports that "whispered propaganda is talking of a general strike at some unspecified future date" in one of the districts of Wroclaw, a large industrial city in the south-west.

"The underground at the Fadroma works in Wroclaw is urging people to lower productivity on piece-work, while there is quiet sabotage at the Plimet works supported by a large number of administrative workers."

The telex also mentions four large factories in Wroclaw, including the Pawafag locomotive works, where leaflets have appeared "attempting to increase tension by exploiting various local grievances."

The other city mentioned in the telex is Gdansk where "attempts continue to be made to disseminate a lack of confidence in the authorities" and "an increase in the amount of leaflets and whispered propaganda in the large plants" is noted.

Party members are told of farmers near Torun, in the north, receiving letters in the post from the "Solidarity farmers resistance movement" and underground newspapers circulating among students in Torun.

Excuses, excuses...

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Next year's budget is already committed three times over."

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– It simply isn't on."

Managing director.

"Due to the current recessionary forces, the Board feels it prudent to limit capital investment to those items considered absolutely essential."

Statement to shareholders' meeting.

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Venezuela denies loan request in IMF talks

BY KIM FUAD IN CARACAS

DR ARTURO SOSA, Venezuela's Finance Minister, was due to meet International Monetary Fund representatives in Caracas yesterday, just 48 hours after postponing talks in New Yprk with international banks on refinancing the country's $9.2bn ahort-term public sector foreign debt.

On his arrival bome from New York, Dr Sosa denied reports that Venezuela would ask the IMF fnr a $1.2bn loan, a possibility he had posed at the end of January to foreign bankers in Caracas if refinancing efforts faltered.

Venezuela could draw up to $1.2bn from the IMF almost automatically and without conditions being imposed. Venezuela's paid-in subscription to tbe IMF stands at $338m, and it has another $440m in special drawing rights.

Dr Sosa expressed optimism that successful refinancing of the short-term public sector foreign debt could be achieved over the next 90 days. He is reportedly expected to return to New York later this mpnth to meet with an advisory group of 12 major banks to continue refinancing negotiations.

Sr Hermann Soriano, Venezuela's investment fund president, said over the weekend that Venezuela expects $750m in loans from the Inter-American Development Bank over four years to finance agricultural and energy developments. Earlier, Srta Maritza Izaguirre, Planning Minialer, said Venezuela could get between $200m and $300m from the IDB in agricultural credits, but this would require lengthy negotiations.

Srta Izaguirre also said Venezuela might seek the use of U.S. Government commodity credits to acquire wheat, sorghum and other imports up to a value of $500m.

Dr Sosa also denied reports that he had said that private sector debts—which bave been estimated at between $6bn and $9bn with $4bn falling due this year — could be repaid at 4.3 bolivars to the dollar.

The three-tier exchange rate put into effect a week ago baa led to a major controversy. Initially, the Government said the preferential rate of 4.30 bolivars to the dollar would be applied both to public and private foreign debt, but later tbe government limited private sector use to debt which had been rolled over for four years.

U.S. discount brokers show revenue increase

BY RICHARD LAMBERT IN NEW YORK

TOTAL REVENUES of discount stockbrokers in the U.S. climbed to nearly $450m (£298.4m) in 1982, more than twice their 1979 level, and their share of retail broking commissions climbed from 4.5 per cent to 8.4 per cent over the same period. Their share of U.S. retail business could now be around 15 per cent.

The figures, published in a new analysis by the U.S. Securities Industry Association, help to explain why large numbers pf U.S. commercial banks and thrift institutipns are npw pushing into the discount brokerage business. Not one major bank pffered discount brokerage services at the start of 1982, but 12 months later, nearly 600 banks and thrifts bad announced plans tp enter the business.

The study says that, since May 1975, when fixed commission rates were abolished in the U.S. securities industry, commissipns charged on deals for big institutional investors by established brokerage firms have fallen to rougbly one-third the rate charged to retail investors.

As a result, discount brokerage firms have been set up tp offer cut-price services to private investors, and the study aays that dealing costs through a discounter are roughly 40 to 70 per cent below the 1975 fixed rate level.

The analysis shows tbat discount brokers are much more reliant on commission income than traditional full-line firms, wbicb tend to have diversified into new areas. Commissions only accounted for 24 per cent of overall industry revenue in the first nine months of 1982, but for tbe discounters the prpportipn was over 60 per cent.

This makes their earnings more volatile than thpse pf other firms, the association saya. But their profitability has been impressive, with an after-tax return of 15.6 per cent in 1982.

UN task force on Bolivian aid sets date for talks

BY HUGH O'SHAUGHNESSY

THE UN inter-agency task force convened by Sr Javier Pérez de Cuéllar, the UN secretary-general, tp give emergency aid to Bolivia is to hold its first discussions with the Bolivian Government on April 6-8 in La Paz.

The Government of President Hernán Sties Zuazo bas accepted all the recommendations made in a report on the economy drawn up by Miss Margaret Anstee, assistant secretary-general for technical co-operation, who visited Bolivia in December at the invitation pf the Bolivian authorities.

The task force is expected to arrange financial assistance from international financial institutiona for Boliva'a fnreign debt servicing. This is put at more tban $1.2bn, equivalent to 133 per cent of expected export earnings this year. Such assistance would open the way for a solution ending the delaya incurred in paying foreign private banks sums due on foreign debt servicing.

Congress in La Paz is examining the possibility of new legislation which in future would commit the country to service only those debts contracted by constitutionally elected governments. This would leave in limbo those foreign debts run up by military or other regimes which took power by coup d'elat.

The U.S. embassy in La Paz is believed to have discreetly asked President Siles to push ahead faster with the task of neutralising narcotics traffickers who are still active.

It is unclear whether any government in La Paz could enforce its writ against the traffickers. The armed forces are infiltrated by rich drug dealers, and the traffic became the country'a biggest export earner during the military government of General Luis Garcia.

Brazil raises target for inflation rate in 1983

BRASILIA — The Brazilian government has raised its target inflation rate for 1983 to between 85 per cent and 90 per cent from 70 per cent following the 23 per cent devaluation of the cruzeico on February 18, documents released tp tbe Press in Brasilia by the Finance Ministry show.

The revised target was in a February 24 letter to the International Monetary Fund, detailing alterations to the econpmic targets set out in a Letter of Intent to the fund on January 6 as conditions for $4.6bn of emergency loans.

The inflation rate in 1982 was 99.7 per cent and at the end of February was a year-on-year 104.3 per cent.

Following the devaluation, the Government resumed frequent mini-devaluations of the cruzeiro by between 1 and 3 per cent against the U.S. dollar.

The letter of intent said the rate of these in future would be at least equivalent to the rise in the cost of living. This policy and the 23 per cent devaluation should help create tbe conditpns fpr the reduction and final elimination of export subsidies and import taxes, it said.

The 23.5 per cent devaluation should bring lower domestic real intereat rates, it added.

Reuter

Congress to consider job plan

SAN FRANCISCO — President Rpnald Reagan said yesterday that he will ask Cpngress this week tp apprpve tax credits for companies pffering jobs to the long-term unemplpyed.

The plan, which he first mentioned in his State of the Union address in January, would permit jobless workers to give up unemplpyment benefits, trading them for a voucher to be given tp a new emplpyer. The tax credit would be approved when a job was prpvided and the voucher was sent by a company to the Gpvernment.

Reuter

William Chislett examines the problems confronting a beleaguered and disillusioned private sector

Mexico's gung-ho businessmen feel the pinch

"WE WERE all gung-ho because of Mexico's massive oil reserves and large undeveloped consumer market. Everybody expanded their businesses. Now we are all lying low and counting the cost."

Mr Colin Brown, the Scottish manager of Mexatlan, the Mexican branch of the UK consumer goods group Reckitt and Colman, summed up the bitter feelings of many foreign and Mexican businessmen.

The Mexican private sector, which accounts for about 40 per cent of the Gross Domestic Product of an estimated $170bn, is reeling under the country's liquidity crisis, high inflation rate, heavily devalued currency, large debts and partial exchange controls.

Mexatlan, 100 per cent owned by Reckitt and Colman, is a microcosm of the depressed private sector. The company, like many others, made its first loss in 12 years in Mexico last year—a figure which, as the company is not quoted on the Mexican Stock Exchange, it was not prepared to divulge.

The profits of 35 major companies reporting earnings for the first nine months of 1982 declined on average by 46 per cent in real terms, according to the authoritative publication Mexican Business and Investment.

Year-end results are expected to be worse because the peso declined more sharply in the last quarter of 1982 and accentuated fpreign exchange lpsses.

Five of the 35 companies made losses including Chrysler de Mexico, which made a lpss pf 2.5bn pesos ($35.7m at the then prevailing exchange rate of 70 pesos per dollar). Mexicana, the largest airline company, made an estimated loss of 2bn pesos ($13.6m based on the year end exchange rate of 150) for the whole of 1982, its first in 15 years. "We are facing a critical situation," said a car industry executive.

Mexatlan's production line of household goods like shoe polish and lavatory cleaner has been halted by tbe lack of imported materials.

The company has great difficulty obtaining dollars for essential imports, even those dollars which it is entitled to receive at the controlled rate of 104 pesos per dollar. Tbe free rate is 150 pesos per dollar.

"We have wasted hundreds of hours on paperwork chasing dpllars at the controlled rate," it says. Mexico's hard currency reserves are at a precariously low level, and as a result Mexatlan, like many companies, has been forced to buy dollars on the free market.

Some companies are so pushed for dollars and cannot get them in Mexico tbat they are buying them at over 160 pesos per dollar in the U.S. side of the 2,000 mile-long open border between the two countries. A "Yankee" peso market bas developed, with U.S. tourists often the suppliers of some of the dollars. Mexicans also have an estimated $14bn in U.S. bank accounts, very little of which has been repatriated.

Mexatlan even went to the length of exporting its first-ever shipment of honey (Reckitt and Colman has food interests) to the UK last week in order to secure dollars for imports at the more favourable controlled rate.

Under Bank of Mexico regulations, companies which export can use some of the proceeds, after they are changed into pesos in the state banking system, tp buy dollars at the controlled rate. Mr Brown, of Mexatlan, is still sceptical that he will get any "controlled" dollars because he says that none of his colleagues have although they are regular exporters.

Export earnings have to be changed into pesos at the controlled rate whereas the great majority of imports are done at the free rate. This policy is being fiercely attacked by businessmen who say it gives them no incentive to export.

Government economists counter this kind of remark by stating that the peso exchanged at the controlled rate, which is slipping against the U.S. dollar by about 14 cents a day, is deliberately undervalued to make Mexican non oil exports competitive.

The successive devaluation blows bave pushed up enormously the cost in peso terms of servicing company debts. Even Mexatlan's relatively small external debt of $2m is "pinching," said Mr Brown.

According to the Mexican brokerage house Estrategia Bursatil, the external debts of the 102 most actively traded companies on the Mexican Stock Exchange were, at the end of September last year, an average 1.03 times more than the net worth of these same companies. In other words, these major companies owe more than they are wprth. The total debt pf the private aector is $14bn.

Mexatlan's sales were down 5 per cent in January, its first drop in years. The company, which employs 180 people, expanded its overall production by 12 per cent last year after 25 per cent a year in 1980 and 1981 when nobody believed that the "Mexican oil miracle" could go sour.

The government of President Miguel de la Madrid, which took office last December, is now beginning to turn its attention to the private sector. The main points of its programme are:

- The Bank of Mexico will implement by May its scheme to enable companies to buy dollars at subsidised rates to restructure principal.

Dollars are also now being made available to keep the private sector interest payments current after five mpnths of arrears.

- Tax relief is being given including the lowering of import duties on essential raw materials.
- Foreign investors will be encouraged to bring in more equity capital to prop up ailing joint ventures and to set up new concerns in Mexico by allowing majority foreign control.
- Depressed domestic demand will be stimulated by the public sector making more purchases at home this year than purchases abroad.

Despite all the problems, Reckitt and Colman has no intention of pulling out of Mexico. "We are not going to walk away frpm a large market like this," said Mr Brown. "We will just have to keep our head down until the country recovers."

Diesel Nacional strikers defy back-to-work order

WORKERS at Diesel Nacional (DINA), the Mexican state-run assembler of buses and lorries which bas been on strike for a month, yesterday defied a Government back-to-work order, William Chislett reports.

A labour court ruled over the weekend that the union organising at DINA had not taken all the necessary legal steps before going on strike on February 7 over its demands for 60 per cent pay increases.

The management of DINA, wbicb last year made an estimated loss of pesos 20bn ($133.3m at the year-end exchange rate of 150 pesos per dollar), says that it is not prepared to discuss wage increases until the trade union agrees to about 2,500 redundancies.

The pay demands also exceed the Government's wage ceiling of 25 per cent. DINA is under threat of total closure by the Government unless the strike issue is resolved.

The DINA strike has affected Renault de Mexico, which is majority owned through DINA by the Mexican Government. It has become a test case of the Government's stated intent to create a more efficient public sector and to stick to its tough wages policy at a time of high inflation.

Non-aligned nations to seek changes in world economy

BY DAVID TONGE IN NEW DELHI

INDIA'S Prime Minister, Mrs Indiro Gandhi, yesterday told the Non-Aligned conference in New Delhi that a fresh attempt to restructure the world's economic system and a major emphasis on disarmament would be the keynotes of India's three year chairmanship of the world's largest grouping of developing countries.

Her specific proposals at the opening of this week's summit of 99 countries in New Delhi included:

- A major debt restructuring exercise;
- A call for an early "conference on money and finance for development";
- A plea to all members of the United Nations to send their heads of state or government to this autumn's session of the U.N. General Assembly in New York.

She also called for suspension of all nuclear weapons' tests and abandonment of the "untenable doctrine of deterrence".

Mrs Gandhi directly bracketed her two main concerns, saying that mankind "is balancing on the brink of the collapse of the world economic system and annihilation through nuclear war."

She emphasised the interdependence of rich and poor countries. Only a few in the developed nations realised that sustained social and economic development in the Third World was in their interest, she declared. "We ask not for charity or philanthropy but sound economic sense."

Mrs Gandhi pointed to the contrast between buoyant arms expenditure, now totalling around $650bn (£433bn) annually, and a teetering world economy.

Her speech set out the approach which the developing world is likely to adopt when negotiating with the industrialised countries at the sixth session of the United Nations Conference on Trade and Development, to be held in Belgrade in June.

Her emphasis on the cost to the Third World of the past four years of "stagnation, of decline in the world economy" was in marked contrast to the short and crisp references she made to political issues.

Mrs Gandhi was applauded when she appealed to Iran and Iraq, whose representatives were present in the conference hall, "to end their tragic war."

Mrs Gandhi

She called for "early normalcy in Afghanistan," condemned Israel and South Africa, and opposed "the intensive militarisation of the Indian Ocean and the nuclearisation of the Diego Garcia base"—a reference to U.S. activities.

Her clear attempt to steer a middle course between Moscow and Washington was in marked contrast to the subsequent 110-minute speech by a uniformed President Fidel Castro of Cuba. This had at least 27 specific attacks on the U.S. and not one mention of the Soviet Union.

Half of his characteristically robust speech was devoted to setting out the problems of the poor and sick in the Third World. One million children in Africa could be saved from death each year if the world would spend on fighting malaria what it spends each 36 hours on weapons, he said.

Bid to end textile strike

BY K. K. SHARMA IN NEW DELHI

THE INDIAN Government has finally made a move to end the 14-month-old strike in Bombay's 60 textile mills. The strike has already led to loss of production worth Rs 9bn (£592m) with 250,000 employees off work for more than a year.

The Government has now climbed down from its position that it would not hold talks with Dr Datta Samant, the militant trade union leader, who called the strike on January 19, 1982, and has started negotiations with him.

Dr Samant and Mr V. P. Singh, the Commerce Minister, held their first meeting at the weekend. Although no agreement was reached, they have agreed to meet again after the Non-Aligned summit now being held in New Delhi is over.

An early end to the strike is still unlikely because of Dr Samant's demand for withdrawal of recognition from the union recognised by Bombay's textile industry. This union supports the Congress (I) Party of Mrs Indira Gandhi, the Prime Minister.

Tough stand on Liberal states in Australia

By Michael Thompson-Noel in Sydney

THE NEW Australian Labor Government is expected to take a tough stand with the two remaining Liberal states—Queensland and Tasmania—if they seek to defy Federal rulings.

In Queensland, the Government is expceted to demand the granting of freehold land to aborigines, which could spark direct confrontation between Mr Bob Hawke, the Prime Minister-elect, and Mr Joh Bjelke-Petersen, the state's autocratic Liberal Premier.

In Tasmania, further bitter confrontation is inevitable over plans for a hydro-electric scheme in the south-west wilderness.

Mr Hawke is known to favour a more centralist form of Federal government, which could produce trouble on the issue of states' rights.

Mr Hawke has vowed to stop the A$530m (£330m) Gordon River dam, whereas Mr Robin Gray, the Tasmanian Premier, says it will proceed.

Tasmania was the only state to resist the swing to Labor in last Saturday's general election, with the five sitting Federal Liberal MPs increasing their majorities.

The four remaining Australian states—New South Wales, Victoria, South Australia, and Western Australia—are all Labor-controlled.

Labor's promise to halt construction of the hydro scheme was one of the election promises that garnered votes on the mainland, if not in Tasmania, where its construction was expected to provide badly needed jobs.

Mr Bjelke-Petersen has claimed that Mr Hawke would be committing political "hara kiri." if he ordered a halt to work on the dam.

Move to rationalise Japanese plastics sales

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

EIGHTEEN Japanese companies producing polypropylene and high and low-density polyethylene are expected to group themselves into four joint sales organisations under part of the Ministry of International Trade and Industry's (Miti's) master-plan for rationalising the petrochemical industry.

The companies include two members of the Mitsubishi group as well as Sumitomo Chemical, Japan's second largest integrated chemical maker, and no fewer than three Mitsui group affiliates.

The joint sales companies that Miti hopes will be formed will serve to cut down on distribution costs, and reduce excess competition within what is acknowledged to be an over-populated sector of the petrochemicals industry.

At some time in the future, it is hoped that individual producers who have entered joint sales organisations may withdraw from production of one or more of the three products involved and delegate production to other members of the same "club".

Miti's complex scheme for setting up joint sales organisations rather than forcing outright mergers in the Japanese petrochemical industry forms part of a two-pronged scheme for putting the industry back on its feet.

The second "prong" involves cutting production capacity by margins that have been pre-set for each individual product.

In the case of high and low density polyethylene, cuts of 36 per cent and 27 per cent in existing capacity levels were proposed in a report published last year by the Industrial Structure Council—a nominally independent body whose secretariat is provided by Miti.

The formation of joint sales companies in the petrochemical industry began early in 1982 when 17 competing manufacturers of polyvinyl chloride were persuaded to group themselves over eight months into four groups for sales purposes.

The restructuring of sales channels for polyethylene and polypropylene forms stage two of Miti's master plan for the industry.

At some time in the future "sales rationalisation" may take place among eight companies producing polystyrene and four in the ethylene glycol business.

The aim of the rationalisation procedure, in each case, is to discourage cut-throat pricing of home-produced petrochemical products and to narrow the gap between Japanese and overseas petrochemical manufacturers by rationalising distribution costs.

The establishment of four sales channels for polyethylene and polypropylene in place of the 18 existing today is a second best in the view of Miti bureaucrats who originally hoped to see only three sales channels emerge in this sector.

The largest of the three—a grouping which would have comprised two Mitsubishi group companies as well as Asahi Kasei and Showa Denko—was ruled out of court last week by the Fair Trade Commission—Japan's anti-monopoly watch-dog—on the grounds that its prospective market share was excessive.

Miti's plans for the rationalisation of the Japan petrochemical industry, through the formation of co-operative sales companies, have been drafted against the background of heavy losses by some of the companies concerned.

Mitsubishi Yuka, the largest petrochemical producer in the Mitsubishi group, last week announced a loss of Y16.5bn (£45.8m) reflecting low operating levels and high costs of raw material inputs. Sumitomo Chemical's loss was its biggest in 33 years.

Zimbabwe Ministers attack Nkomo's party

BY TONY HAWKINS IN HARARE

ZIMBABWE Government Ministers stepped up their war of words against Mr Joshua Nkomo's Zapu party yesterday, as the opposition leader went back into hiding in a "safe house" in Bulawayo, following the weekend ransacking of his home by government troops.

Mr Maurice Nyagumbo, Minister of Mines, and a powerful influence in the ruling Zanu-PF party, told a weekend rally that it might be necessary to ban Zapu. Mr Emmerson Munangagwa, the Minister responsible for security, said it was time to eliminate the infrastructure that supported dissident gunmen in Matabeleland—a clear reference to Mr Nkomo's party.

Reacting to Mr Nkomo's claim that his house had been ransacked and his chauffeur murdered, Mr Munangagwa said: "He's mad." Mr Enos Nkala, another Minister, said: "Nkomo has turned out to be public enemy No 1."

There is growing speculation in Harare that the four Zapu Ministers still in the Cabinet of Mr Robert Mugabe may resign soon in protest against the harassment of Mr Nkomo and his top aides, many of whom are believed to have been arrested in the weekend clampdown. Their departure would mark the final collapse of the cross-party alliance in government.

Officials in Harare are also concerned that the campaign against the dissidents, and the persistent media reports of atrocities committed by the North Korean-trained Fifth Brigade in rural Matabeleland, could jeopardise U.S. aid to Zimbabwe and foreign investment. The country hopes to obtain a further $75m in aid from Washington in the coming financial year.

Mr Nkomo has accused Mr Robert Mugabe, the Prime Minister, of "sending young people to kill me and my family." He appealed to the international community to "drive into Mr Mugabe's head that things cannot be handled in this way."

The Mugabe Government was determined to crush his party and establish a one-party state, he said—a view being expressed with increasing frequency by Government Ministers.

Reports from Bulawayo suggest that Mr Nkomo is constantly moving from one house to another to avoid the security forces.

Mr Justin Nyoka, Director of Information, said Mr Nkomo was aware of the incriminating evidence against him obtained by the police from captured dissidents.

Bulawayo was reported quiet yesterday but police and troops were out in force in the black townships manning checkpoints and machine gun positions.

It was announced yesterday that several Zapu officials had been arrested at Beitbridge—the border post with South Africa—accused of recruiting "terrorists" for training in South Africa.

Giving details, Mr Enos Nkala, (Minister of National Supplies) said a group of dissidents trained in South Africa, whom he accused of seeking to destabilise politics in Zimbabwe, was known to have crossed the border into Zimbabwe.

Mr Nkala repeated his call made last week for the "liquidation" of Zapu.

Reports of the ransacking of Mr Nkomo's home and the shooting of his driver, widely covered in the international media, were not published in Zimbabwe's daily newspapers yesterday.

Lebanon takes over illegal dock

By Nora Boustany in Beirut

THE LEBANESE Army yesterday took control of access to an illegally-run pier at the port of Beirut, in yet another step aimed at reasserting state authority over the site—virtually non-existent since 1976.

Christian militiamen of the Phalange-dominated Lebanese Forces started vacating the area of the fifth pier inside Beirut's official harbour, in keeping with an army order to shut down illicit ports and clamp down on smuggling. The order took effect yesterday.

Several hundred containers still had to be cleared, but a spokesman for the Lebanese Forces said no new ships would be allowed entry until it was completely cleared.

Jayawardene confident as Colombo prepares for today's budget

BY ALAIN CASS, ASIA EDITOR

JULIUS Jayawardene, Sri Lanka's 76-year-old President emerged yesterday from the non-aligned summit in New Delhi and announced confidently that his country had reached agreement with the International Monetary Fund on a standby-credit of about $200m (£130m) as part of Western efforts to prop up his free-market policies.

Contacted in Colombo, Mr Ronnie de Mel, Mr Jayawardene's able Finance Minister, who today presents what may be the country's toughest-ever budget, said: "It wasn't quite like that."

His version is that there is still a gap between the IMF and Sri Lanka and that the two sides will meet in three weeks to tie up the loose ends.

These revolve, in essence, around the Fund's insistence that Sri Lanka devalues the rupee to around 26 to the U.S. dollar. Mr de Mel insists that the present exchange rate of around 23 to the dollar is "as far as we can go."

There is little doubt that the Fund and Sri Lanka will reach agreement. Mr Jayawardene was no doubt applying some of his cunning to give the process a little nudge on the way. Or, perhaps, he was merely prejudging the outcome.

Either way, he was demonstrating the self-confidence of an old fox who, having achieved at least some of what he set out to do and acquired a virtually unassailable political position, doesn't much mind what he says as long as the record speaks for itself.

In similar vein he recently fired nearly 20 MPs from his ruling United National Party (UNP) in order to get more opposition members elected. Mr Jayawardene's curious move followed the controversial referendum held at the end of last year, which he won handsomely, and which amended the country's constitution, allowing the President to extend the life of the present Parliament by six years.

Under considerable pressure from many, including members of his own party who questioned the morality of his move, he agreed that the Sri Lankan Freedom Party (SLFP), the main opposition party, was grossly under-represented in Parliament and set out to do something about it. Mr Jayawardene has assumed the aura of a national father figure who guides, reprimands and hands out consolation prizes as he sees fit.

"You're right," he said in a recent interview. "I want a pet parliament and a pet opposition. But I want it to be democratic and I want to get things done. All I have said to the people is 'give me time' and that is what they have done."

Since taking over from Mrs Sirimavo Bandaranaike's SFLP five years ago, Mr Jayawardene has steadily built up his personal position while gambling heavily that his programme of economic liberalisation—which includes dismantling part of the welfare state as well as the stringent controls which have strangled economic growth—will eventually succeed. Both policies are inextricably linked.

The initial results were spectacularly successful. Economic growth doubled, unemployment was halved and foreign investment began to trickle in. Recently, there have even been enquiries from "Hong Kong money" looking for a safe haven in the event of a collapse in confidence during the talks between Britain and China.

Helped by foreign aid—Sri Lanka has the highest per capita receipt of U.S. and World Bank assistance in Asia—this strategically-placed island of 8.1m people was transformed from a holiday retreat where Sri Lankans had to queue for bread, to one where they jostle around the latest imported television sets. The free market has far from eradicated poverty, and has certainly generated corruption—but there is less of it.

Junius Jayawardene

It has also, however, brought more familiar problems which come with too rapid industrialisation, soaring inflation and large deficits. Coupled with a slump in world demand for Sri Lanka's traditional exports—coconut, rubber and tea, which suffered its worst year in 1982—Mr Jayawardene's administration is having to slam on the brakes.

Mr de Mel said: "I am proposing to suspend all new projects for at least two, possibly three years. We want to complete and consolidate what we've got under way." He recognises that "we have gone too far, too fast."

The massive irrigation and electrification Mahaweli River scheme, while still on course, is short of funds. The £65m Victoria dam, one of four being built simultaneously to boost the country's generating capacity, cannot be finished until Britain agrees to a further loan of £30m.

Equaly vital, if not more so, is the proposed $200m IMF credit. Sri Lanka faces a record budget deficit this year of around $1.5bn. Receipts (net of foreign aid) amount to no more than $1bn. The rest will be bridged, according to Mr de Mel from "foreign aid, loans and other sources," including money from the Gulf oil states.

Today's tough budget will go some way towards satisfying the Fund's stringent requirements. But there is also a growing feeling in Sri Lanka that the developing world must take greater account of the possible consequences of being too tough. Hence the wrangle over what amounts to a minor exchange rate adjustment and Mr Jayawardene's own premature remarks.

Sri Lanka may have granted universal franchise before half of Europe, but it remains a deeply divided society where caste, religious and tribal differences can easily be exploited to provoke unrest.

Demands for a separate state by the country's Tamil minority is the most explosive of these differences, but there are others. Both Mr de Mel and President Jayawardene argue that forcing the pace of change could provoke trouble.

"Developed countries," said Mr Jayawardene, "should wipe out all the debts of the developing countries and start afresh. We just can't pay." Sri Lanka's foreign debt stands at around $1.5bn.

Mr Jayawardene—who is, above all else, a realist—realises that this is unlikely to happen, especially in the present international banking climate.

Bewilderment and dreams of Hong Kong's Vietnamese refugees

BY ROBERT COTTRELL IN HONG KONG

HONG KONG'S Vietnamese refugees do not look like a problem. They look like sweet-natured, shy and slightly bewildered people, with a high proportion of round-faced smiling children who seize an approaching visitor's hand to show off their few newly-learned words of English.

Most of the Vietnamese refugees arriving in Hong Kong since July last year are in a camp called Chimawan, on Lantau Island some 15 miles from Hong Kong island. At the end of February, Chimawan housed almost 3,000 inmates, 67 of whom had been born there.

Not that Chimawan is much of a place to grow up in. For one thing, it is surrounded by a 12-foot barbed-wire fence. For another, refugees cannot leave the camp, except in officially-sanctioned cases such as hospitalisation.

They can, of course, leave Chimawan if, somewhere in the outside world, another country is willing to accept them for permanent resettlement. That way out is becoming more exceptional than ever.

In theory, unless some governmental heart or nerve breaks, some of those children born in Chimawan could spend the rest of their lives behind barbed-wire.

Perhaps they will have Chimawan children of their own—though contraception is readily available from the authorities. Besides which, love affairs may not be the easiest things to conduct in dormitory huts where 2-3 other people are living and sleeping cheek-by-jowl in simple three-tier bunks.

The Chimawan regime is intended to be healthy but spartan. Inmates receive three meals a day, whose nutritional content has been approved by no less an authority than the Governor of Hong Kong in Council.

Groups of children cluster around blackboards learning English and French, or play table-tennis and netball in the open air. Pocket money can be earned by refugees willing to take on such jobs as cooking and interpreting. Some of the children are clearly aware of their photogenic potential, vying for the attention of visiting television crews.

FLOW OF BOAT REFUGEES FROM VIETNAM

	Refugee population at Jan. 1, 1982	Arrivals in 1982	Resettlement in 1982	Refugee population at Jan. 1, 1983
Hong Kong	12,960	7,922	9,247	12,631
Malaysia	9,845	14,855	16,253	8,440
Philippines	6,628	3,288	6,166	3,861
Indonesia	6,191	7,835	6,865	7,274
Thailand	4,991	6,076	2,772	8,374

Source: Hong Kong Government

Until last July 2, Vietnamese refugees arriving in Hong Kong were usually settled in "open" camps in Kowloon from where they could seek temporary work whose wages would reduce the cost to refugee authorities of maintaining them, and help the refugees to bring some order back into their troubled lives.

Since that date, concerned that Hong Kong's liberal hospitality was making it a magnet for new arrivals, the Government has introduced the "closed" camp policy by way of a "humane deterrent."

Refugees arriving in Hong Kong waters are given written notice that they will be detained if they choose to stay. If they do not like that prospect, the Government will reprovision their ships and let them on their way. In practice, in spite of the closed camp policy, refugees have chosen to stay.

Some Chimawan inmates say that they knew about the closed camp policy before they set off. And some say that, in spite of the restrictions, the quality of life in Chimawan is better than they knew at home in Vietnam.

The result for the Hong Kong Government is a moral and political dilemma, trying to reconcile humanity and deterrence. Under the Governorship of Sir Murray (now Lord) Maclehose, tiny Hong Kong distinguished itself by the magnitude of its humanitarian response to the Vietnamese exodus, turning away none of the small boats which bobbed into its harbour. The inflow began in 1975, swelled to around 70,000 in 1979 and dropped back to around 8,000 last year.

As the tide of refugees has diminished, so has the prospect for resettlement. Only 5 per cent of Hong Kong's present refugee population has assured retsettlement places. Particularly deeply felt has been reduction in intake by the U.S. since July last year, which now requires refugees seeking resettlement to demonstrate some prior link with the U.S.

The Hong Kong Government estimates that the refugee effort has cost it HK$120m since 1979, while the UN High Commission for Refugees has spent a further HK$126m. The Government says its own bill would be far higher if it costed in the diversion of staff and other resoures including valuable land, towards coping with refugees.

Last year, the refugees in Hong Kong helped turn public sentiment against themselves when rioting broke out at the largest "open" camp—at Kaitak, near Honk Kong Airport.

Also weighing against them is a government belief that most of the refugees now arriving in Honk Kong are not fleeing political persecution, but seeking economic betterment. While they might have been poor back home in Vietnam, Hong Kong has its own poor people to worry about, too.

According to February Government forecasts based on last year's arrival figures, almost 2,000 arrivals are expected over February, March and April, against 770 departures to resettlement countries. The Government has ample basis to doubt whether its closed-camp policy is proving much of a deterrent.

So the Government is now floating the idea that refugees might eventually face compulsory repatriation to Vietnam. The proposal ranks as a tentative one.

It would require the co-operation of the Vietnamese authorities: and it would expose the Hong Kong Government to criticism tarnishing its past humanitarian record.

The prospect of compulsory repatriation may just be being aired by the Government in the hope that the news will find its way back to Vietnam and discourage would-be refugees from setting out. But that it should be floated at all, and at a very senior level of government, is indicative of official concern over the continuing and seemingly permanent residue of refugees in Hong Kong.

For the moment, the inmates of Chimawan play ping-pong and dream of California. The most treasured of all refugee possessions is a document which in same way links the bearer to the former presence in Vietnam, thereby strengthening the hope of resettlement in the U.S. Refugees holding such papers will never let go of them, say camp officials, even to the point of sleeping with them tucked inside clothing.

Lord Maclehose, former Governor of Hong Kong

UK companies urged to sell offshore oil services to China

BY COLINA MACDOUGALL

BRITISH OFFICIALS are seeking to galvanise laggard British companies into looking at the China offshore oil market to sell their North Sea offshore services expertise.

A team from Britain's embassy in Peking and Trade Commission in Hong Kong has been touring London and Aberdeen advertising the opportunities in what some have called the world's last great oil frontier.

The mission was the brainchild of Mr Peter Rees, Minister for Trade, and Sir Percy Cradock, British Ambassador to Peking. Both were worried because British companies had not so far manifested much interest in the South China Sea.

Mr Rees, who visited Hong Kong during his recent Far East tour, does not want to see a repetition of British failure to win offshore services contracts in India.

Hong Kong's governor, Sir Edward Youde, in London currently with Sir Percy for discussions on the territory's future, also wants to see it play a role as an oil finance and technology centre.

Offshore companies will have to make a strong sales pitch since the Chinese regard most British enterprises as dilatory, expensive and uninterested, businessmen say.

"I believe the Chinese have deliberately snubbed Britain by putting their European offshore office in Paris instead of London," one trader said. "British companies are hopeless at responding. I rang a major manufacturer recently with a worthwhile enquiry from the Chinese and they turned it down flat."

Even big British companies with an offshore expertise active in Hong Kong in other fields have shown no interest, one official complained.

British companies had some excuse for delaying, a businessman said, since they were hoping to get in on BP's coat-tails. BP was widely expected to be among the first of 32 competing companies to sign contracts with the Chinese for offshore drilling.

This may no longer be so, since Peking is reportedly sharpening the competition by

Sir Edward Youde: talks on the territory's future role

bringing more companies into the current series of talks. This is to counter companies' reluctance to invest at a time of world oil glut unless Peking improves the terms.

China is fast setting up its machinery to handle offshore development and negotiate with foreigners. The most important elements are the China National Offshore Oil Corporatio (CNOOC) and its joint ventu with Guangdong province, ti: China Nanhai Joint Servi Corporation.

Both have numerous new of: shoots to provide services. Som have already signed co-opera tive ventures with foreign companies, for example the Chin Offshore Platform Engineering Corporation's ventures with Brown and Root and Baker Marine, both of the U.S.

Britain's Trade Commission in Hong Kong recommends finding a Hong Kong partner to help companies find their way through China's new administrative jungle and its blossoming rivalries.

The one major British deal so far is the Cable and Wireless letter of intent, to provide telecommunications for the offshore industry, signed with the CNOJSC and the Guangdong Posts and Telecommunications Administrative Bureau. This could eventually be worth £50m.

Hong Kong exporters seek to build in Britain

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

EEC IMPORT restrictions have led Hong Kong exporters to take the first tentative steps towards establishing manufacturing arrangements in the UK with British companies.

The Hong Kong General Chamber of Comerce yesterday started a week-long mission round the UK to foster the two-way flow of trade and investment.

The purpose of Hong Kong investment in the UK is to gain access to the EEC, according to Mr Jimmy McGregor, the Chamber director. "We expect a more determined effort from the UK to attract Hong Kong investment," he said in London.

The North of England Development Council noted yesterday that it was handling six inquiries from Hong Kong companies in the electronics and garments sectors for joint ventures or sub-contracted manufacturing in the UK.

Two operations have been established. Lyle and Scott of Team Valley, Gateshead, is producing garments for Bruno d'Este of Hong Kong, while Shield Packaging of Washington New Town has a joint venture with Whiltledean of Hong Kong to make polythene bubble-filled packaging.

The Chamber will be co-operating with the NEDC in a seminar on trading prospects later this week. The Chamber, on its tour, is handling 400 specific inquiries for business from Hong Kong companies.

Hong Kong is anxious to attract British investment and technology, while Chamber officials note there is great scope for the UK to sell high quality fabrics to boost its £20m a year textiles sales in Hong Kong.

Taiwan service for Pan Am

HONG KONG—Pan American Airways will announce air service to Taiwan and South Korea from Tokyo in the near future, Mr Edward Acker, Pan Am's chairman, said yesterday.

Despite it being in a politically sensitive area, Mr Acker said that he did not foresee problems with China over the Taiwan route. Pan Am ended flights to Taiwan in 1978, three months before the U.S. opened diplomatic relations with China.

The four-times-a-week flights to Taipei would begin in mid-June and that it already had needed authorisation from U.S. and Taiwanese authorities. Pan Am would soon be sending notices of its intention to resume the flights to both Governments.

AP-DJ

Philippines gains £83m loan

MANILA — the Philippines has obtained a Y30bn (£83m) syndicated loan to help finance the country's 620 MW nuclear power plant, prime minister Cesar Virata said.

Part of the loan is guaranteed by the U.S. Export-Import Bank and the rest by the Philippines government.

The loan is for the country's first nuclear power plant, due to be operational in 1985 at a cost of at least $1.9bn. Westinghouse Electric is building the plant on the Bataan peninsula west of Manila.

The syndicate, involving mostly Japanese banks with the Bank of Tokyo as lead manager, also included Bank of America, Bank of Nova Scotia and Bank of Montreal.

Reuter

EEC mission to promote projects in Yugoslavia

BY ALEKSANDAR LEBL IN BELGRADE

MORE THAN 300 European and Yugoslav businessmen and bankers met here yesterday for the opening of an EEC-Yugoslav "business week," the first such mission ever sponsored by the Brussels Commission and one designed to foster EEC investment and joint ventures in Yugoslavia.

The focus of the week's discussions, which will take EEC businessmen around several Yugoslav cities, is primarily on industrial investment, licensing, and joint ventures both in Yugoslavia and third markets in sectors like chemicals, machine tools, communications and raw materials processing. Some 190 specific projects have been put up for discussion and possible negotiation.

At the opening ceremony, Herr Wilhelm Haferkamp, the EEC Commission vice-president, praised Yugoslavia for its courage in tackling its stabilisation programme, a key feature of which is export promotion. An EEC-Yugoslav co-operation accord, dealing with patents, technology transfer, research, has just come into force.

For the Yugoslav Government, Mr Janko Smole, welcomed EEC co-operation efforts, but complained of EEC protectionism against agricultural and textile goods.

Nicholas Hirst in Toronto examines Canada's continuing U.S. trade problems

Air accord fails to ease tensions

The Canadian Government is anxious to use its negotiating skills to smoothly resolve its disputes with the U.S. The air fares row, however, has fuelled Canadian fears that the U.S. prefers to flex its muscles in order to get its way

AN EXTRAORDINARY dispute which nearly resulted in 56,000 Canadians being denied the use of their cut price air tickets to the U.S. has underlined the fragility of trade relations between the two closely linked countries.

The air fares dispute came only days after the U.S. Justice Department decided to label as propaganda two films on acid rain and one on nuclear disarmament made by the Canadian National Film Board. Both followed a period of relative calm while Canada and the U.S., in the current diplomatic phase, appeared to be "managing the relationship" better.

After two years of bitter American attacks on Canada's energy and investment policies, during which the Reagan Administration tried to push Canada into altering its legislation, both sides decided to cool down and attempt to reduce the tensions.

At a meeting in Ottawa with Mr George Shultz, the U.S. Secretary of State, in the autumn, the Canadian Minister of External Affairs, Mr Allan MacEachen, said from his point of view considerable progress had been made "in establishing a common understanding on how we ought to co-operate as friends and neighbours."

The air dispute and the film decision hardly bears out his words. The fares row broke out when the U.S. Civil Aeronautics Board, backed by President Reagan, refused to allow the use of 56,000 weekend cut price fares offered by Air Canada on flights to the U.S. between February 25 and May 29. The Americans immediate intention was to force the Canadians to allow the U.S. carrier Continental Air Lines to match fares to Australia from Vancouver offered by the Canadian CP Air. Continental would fly the passengers from Vancouver on another airline and pick them up in Los Angeles for the main leg of the journey. For three years Canada had turned down Continental's application.

The U.S. action followed years of frustration in trying to renegotiate a 1974 bilateral pact—the biggest bilateral air pact in the world—on cross-border air services, but it does seem that this was a case of using a sledge hammer to crack a nut. Against the 56,000 Canadians whose holiday plans could have been ruined, the last-minute, one-year compromise which saved their flights last week allows for the sale of 8,000 low cost fares on Continental's route to Australia.

Many Canadian observers fear that for all the noise coming from the State Department about improving relations with Canada, the Reagan Administration is still prepared to use its muscle to get its way.

The Canadians do not have the same option. What has been clear with the air fares and other recent disputes is that Canada has not wanted to over-emphasise disagreements in a way that could serve to damage the improved tone of the relationship.

It is true that at one point Mr Jean-Luc Pepin, the Canadian Transportation Minister, described the Americans' action with the air fares as "blackmail" and "crude," but a Canadion threat to ban cheap flights to Canada offered by six American carriers was withdrawn before the compromise was reached.

That contrasts with Canada's toughness in deciding to reduce the quotas for EEC countries fishing in its waters, in retaliation for the low level of Canadian cod allowed into the EEC and the ban on the import of seal pup skins.

Essentially Canada cannot afford to alienate its southern neighbour. Exports account for 30 per cent of its GNP, 70 per cent of which go to the U.S. It is an unequal relationship, and Canada is the weaker partner.

Since the rows over Canada's energy and foreign investment policies have died down there has been a recognition that there is little point in meeting the Reagan Administration head on.

"The Government has concluded that, in a sense, there is no point in doing 'administration bashing' to get any results," said Mr Marc Lorrie, Press attache at the Candian Embassy in Washington.

Mr John Roberts, the Canadian Environment Minister, in presenting a joint U.S./Canadian study on acid rain, criticised the American team for failing to recommend a 50 per cent reduction in industrial sulphur emissions; otherwise his comments were fairly muted. Yet with the U.S. Environmental Protection Agency under attack in Congress — for mishandling funds, causing intense embarrassment to the Reagan Administration — the opportunities for political point-scoring were high.

It was the Administration's belief that Canada was denying Americans fair competition that led to the severe rows on energy and foreign investment, and the airline fares dispute has a similar background cause. The main reason for the breakdown in air pact talks was the Americans' attempts to force Canada to reduce fares and services regulations in line with America's own domestic policy. With the U.S. airlines already having a C$150m ($120m) annual revenue advantage on cross-border flight revenues, the Canadians are anxious not to increase the competition further.

The difference of philosophy will never be changed. On matters like acid rain which largely originates in U.S. pollution and threatens to damage Canada's environment, the Canadian diplomatic effort is directed at Congress and public opinion.

The style is to present the Canadian view of the facts rather than to directly lambast the Reagan Administration. On the propaganda films Congressional leaders did the Canadians' work for them with Senator Edward Kennedy going out of his way to condemn the Justice Department action.

Yet Canada cannot afford to ignore the Administration for, conversely, the threat of trade protectionism which could badly hurt Canadian industry comes from Congress and here the Administration is on Canada's side.

It is a dual track approach, to use Congress and public opinion to influence the Administration and to attempt not to lose the possibility of the support of the Administration when it is most needed.

U.S. to rule on timber imports

By Nancy Dunne in Washington

MR MALCOLM BALDRIGE, the Secretary of Commerce, was expected to rule today on an industry complaint against Canadian lumber imports, potentially divisive dispute between the two neighbours.

In a complaint filed in October, a group of U.S. softwood, lumber, shingles and fence producers asked the Department of Commerce to impose countervailing duties on Canadian lumber imports, alleging that the Canadian Government provides unfair subsidies to its forest industry.

The complaint challenged the 100-year-old Canadian stumpage system, the procedure which determines the price paid by the industry to provincial governments to harvest publicly-owned timber.

On the basis of the alleged subsidies, the group is seeking a countervailing duty of up to 65 per cent, or $120.94 per thousand board feet of lumber, $12.09 per square of shingle and $7.26 per section of fence.

The Commerce Department will release its preliminary findings today. If it accepts the industry argument, then imports of Canadian softwood lumber products will be required to post bonds immediately against which duty would be collected if final determinations of subsidy and injury are made.

UK NEWS

Coal chief signals end of industry's energy plan

BY JOHN LLOYD, LABOUR EDITOR

MR NORMAN Siddall, the National *Coal Board chairman*, used a speech on the eve of today's miners' ballot on strike action to signal the end of the expansionist, eight-year old Plan for Coal and called for "a change of course, in a quite different direction."

The speech, given to the Coal Industry Society, was a sombre review of the NCB's deepening financial crisis and a warning to the mine workers that no compromises were now possible. *He told them* that if they chose to strike over pit closures "it would be the height of summer before there was any noticeable effect."

Mr Siddall predicted cautiously that the miners would vote narrowly against the strike – but implicitly criticised Mrs Margaret Thatcher the Prime Minister for announcing that she wished to appoint Mr Ian MacGregor, the tough chairman of the British Steel Corporation, as his successor before the appointment *had been finalised.*

He said it had allowed Mr Arthur Scargill, the Mineworkers' president, to "introduce a bogeyman to draw the whole thing together."

The speech amounted to the first public declaration by the board thet Plan for Coal, the tripartite agreement between the NCB, the unions and Government was dead.

The underlying reason was the huge disparity between the plan's targets, which predicted a present energy use of 400m tonnes of coal equivalent compared with an actual burn of 310m tonnes.

"We *have* to adapt to the present drastic fall in demand for our products while, at the same time, making sure that the policies we adopt do not harm our ability to provide the energy the country is going to need in the future," he said.

An end to recession would not mean an end to the NCB's problems: "Many of our customers have gone out of business: they have been lost to us forever ... many more industrialists, struggling with high energy prices, have learned to *manage with less.*"

In a message to his members in a special issue of The Miner, the mineworkers' journal, Mr Scargill poses a stark choice – "We fight – or we follow the steelworkers to the *slaughterhouse.*" *He says the union* would call on the aid of other unions, and the unemployed, in order to "mount a short, sharp dispute, straight to the relevant point."

The Transport and General Workers' Union *last night pledged* support for the mine workers – though it was phrased in unspecific terms and embraced all workers "struggling to maintain jobs threatened by closures and cutbacks in industry."

Lloyd's in move to suspend Posgate

THE RULING council of Lloyd's, the insurance market, yesterday moved to suspend Mr Ian Posgate, one of its most controversial members, from the governing process of Lloyd's.

Lloyd's said the council had de*cided* to *give formal notice* to Mr Ian Posgate "that it is considering an order of suspension under the by-law governing suspension from membership of the council, the committee and any sub-committee."

Mr Posgate faces allegations by Alexander & Alexander Services, the U.S. owners of Alexander Howden Group, where Mr Posgate was the leading underwriter, that he and four other former Howden directors misappropriated funds from Howden insurance companies and Lloyd's syndicates under the management of Howden.

More UK news on Page 10

Elgin Marbles to stay

THE ELGIN Marbles – classical Greek sculptures taken from the Parthenon in Athens – will stay in *Britain despite Greek demands* for their return Mr Paul Channon, the Arts Minister, said yesterday.

The collection was shipped to Britain by the British Ambassador to Turkey, the seventh Earl of Elgin, during the Turkish occupation of Greece at the beginning of the last century.

Election favourite

LADBROKES and William Hill, the bookmakers, have both made Mr Tony Cook, the Social Democratic Party candidate, favourite to win the Darlington by-election at odds of 11-10. Polling takes place on March 24.

Rail hotels sold

BRITISH Rail has sold eight British Transport hotels to Eclipsecare, part of the Virani group, for £4.6m.

This brings the total raised from the sale of hotels in the BTH group to £30.45m.

Anti-terrorist law

ANTI-TERRORIST powers are to be given a new statutory basis in legislation whch, while subject to annual renewal, will have a maximum life span of five years, Mr William Whitelaw, Home Secretary, said yesterday.

British Steel plans U.S. link for Ravenscraig works

BY MARK MEREDITH

BRITISH Steel Corporation has formulated a plan to link semi-finished steel production from the Ravenscraig steelworks in Scotland to a U.S. buyer. This would mean ending finished steel production in Scotland and halving the 4,200 workforce at Ravenscraig.

The proposal could form part of BSC's corporate plan due late this month. It may involve a three-way link-up between Hamersley, the big Australian iron ore producer, Ravenscraig and *U.S. Steel, the American group.*

Mr Ian MacGregor, BSC chairman, is thought to have promoted the plan as a way of ensuring a long term future for Ravenscraig, one of the UK's most modern steelworks.

His plan, in rough outline, bas already been passed on to the trade unions, which, together with all the main political parties in Scotland, have denounced any proposal which would lead to extensive closures.

The unions say that limiting Ravenscraig to semi-finished production would spell the end of the works. The thrust of their campaign to save the plant has been to show the number of satisfied customers for finished products.

However, Mr MacGregor is understood to feel that a link with a foreign producer is the only alternative to full closure. This tie would *bring together ore production* from Hamersley, crude production from Ravenscraig and finished production from U.S. Steel.

Producing for a dedicated U.S. buyer would bypass restrictions placed on European steel producers by the EEC because of the Community's current heavy overcapacity. The idea will also allow U.S. Steel to overcome U.S. weaknesses in crude steel production capacity.

BBC satellite channels set to start in 1986

BY RAYMOND SNODDY

THE BBC yesterday announced a *two-channel direct broadcasting* satellite (DBS) agreement committing it to spending at least £300m over seven years.

It signed heads of agreement with United Satellites (Unisat), a consortium owned by British Telecom, British Aerospace and GEC, for two satellite channels which will begin broadcasting from space in September 1986.

The BBC will pay Unisat £12m a channel a year for the satellite capacity plus insurance – a total of £168m.

Mr Bryce McCrirrick, BBC engineering director, said yesterday that *software costs would probably* be similar to the satellite costs, bringing the total to more than £300m.

The BBC is trying to persuade the Home Office to raise its borrowing *limits* to *fund* the project. Its present borrowing limit is £75m, *but borrowing for* DBS is likely to be around £100m.

Last Wednesday Mr Alasdair Milne, director general, said the BBC was considering participation "with bodies in the City of London," in the DBS project.

He said yesterday DBS would not be a burden on the licence fee and that satellite broadcasts would be funded mostly from revenue generated.

Meanwhile, the Government is retaining the option for a special extra £10 licence for DBS.

The BBC will use the Independent Broadcasting Authority's C-*MAC satellite system.*

The BBC plans to run a subscription service which will be based largely on first-run feature films. The subscription *for* the "scrambled" programme will be about £10 a month.

Eurobond fraud charge

BY MARY ANN SIEGHART

THE CHAIRMAN of a London quoted company has been remanded on bail pending fraud charges.

Mr Robert Knight, chairman of Sturla Holdings, and a director of 11 other private companies, has been charged with conspiring with others to defraud financial institutions by dealing in fraudulent Eurobonds.

Mr Knight, a member of the Institute of Directors, appeared in Guildhall magistrates court with four others. They were accused of using the offshore Victoria Life Assurance Co, to defraud investors with forged Eurobonds.

Others charged with Mr Knight were: Mr Richard Carson-Selman, an American hotel consultant, Mr Geoffrey Pimm, an insurance broker from Sussex and Mr Donald King, a marketing director from East Finchley.

هكذا صدر الأصل

Much has been written about Sierra, the driver's car. And not just in the advertising!

Car, a magazine noted for its pungent reporting, said "It's one of those cars that feels right from the moment it moves off… The car feels fluid, mature, competent."

The *Daily Express* added "The most outstanding thing about Sierra is its sheer driveability."

And *Motor* admitted "We're still slightly stunned by its all-round excellence."

We look forward to hearing what they'll say about the new Sierra Estate.

Obviously, it's not quite a mirror image of the saloon. After all, it has an Estate back with no less than 69 cu. ft. of load space. But it does reflect the same engineering principles. So much so, that once behind the wheel, we'd challenge anyone to feel the difference between it and the saloon.

Believe it or not, it has the same aerodynamic drag coefficient as the saloon's. (Average 0.34). And, with four of the same range of high efficiency engines (1.6, 2.0, 2.3V6 and 2.3 diesel), its performance and economy is surprisingly similar. The fastest does 116 mph† and the most economical petrol model does 47.9 mpg at a steady 56 mph.*

The rear suspension (all independent) has naturally been modified to compensate for the added load capacity. So the Estate still feels light and agile when you're carrying five hundredweight in the back.

And, of course, equipment levels are very similar too. In particular, the driver will appreciate the way the dashboard is curved around you rather like an aircraft's cockpit and the seat holds you snugly in place so that you feel at one with the controls.

No doubt you'll also enjoy the long intervals between standard services (12000†† miles) and the simple maintenance for which all Sierras, and indeed all Fords, are well known.

The new Estate is now at your local Ford dealer. He'll be glad to arrange a demonstration of the only Estate that drives quite like a Sierra.

Ford gives you more.

Sierra Estate prices:

1.6 litre Estate	£5,770
1.6 litre L Estate	£6,240
2.0 litre GL Estate	£7,335
2.3 litre Ghia (auto) Estate	£9,396
2.3 litre Diesel (5-speed) Estate	£6,186

Maximum prices excluding delivery and number plates.
Cars featured have metallic paint at extra cost.
†Ford test figures for 2.3 litre V6.
*Government fuel test figures – mpg (litres/100km) for 2.0 petrol model: Constant 56 mph (90kmh) 47.9 (5.9). Constant 75 mph (120kmh) 36.7 (7.7): Simulated urban cycle 26.4 (10.7).
††Diesel standard services at 10,000 miles. All models have interim services.

Man and machine in perfect harmony.

Ford

BARCLAYS BANK PLC.

The Directors of Barclays Bank PLC report the Group results for the year ended 31st December 1982

The Barclays Group pre-tax profit for 1982 amounted to £495m compared with £567m for 1981. This represents a reduction of 13% in the level of profit compared with the previous year but is the fourth highest pre-tax profit reported by the Group.

In the United Kingdom Clearing Bank, which includes Barclaycard, operating profit increased from £267 million to £313 million in 1982 despite the need for much higher provisions for bad and doubtful debts and lower interest rates. The average base rate in 1982 was 11.9% compared with 13.2% in 1981, whilst the margin between the average base rate and 7-day deposit rate widened from 2.6% to 2.9%. Results benefited from profits on gilt-edged security transactions in the second half of the year. Overheads have risen despite strenuous efforts in cost control, but productivity showed a further increase.

Cheque account balances now represent only 23% of total domestic deposits compared with 40% in 1978 but the resultant cost of funds has to some extent been offset by significantly improved commission income on services.

It would be unwise to say that the worst has passed in the need for provisions as there are still a number of companies which require careful nursing and some of these will inevitably slip over the edge.

Other domestic operations have experienced generally good results but Mercantile Credit has faced reduced margins, higher bad debts in their consumer credit lending and increased overheads which have resulted in a fall in profits from £52 million to £42 million.

Our international operations produced a lower level of profits in 1982 and Barclays Bank International's profit contribution is £146 million which is 40% down on 1981. Their profits have been adversely affected by the need for substantial provisions for bad and doubtful debts in a number of areas. In particular, some of our activities in the United States have suffered and, despite good profits from Barclays American Corporation, our overall operations there have resulted in a loss this year which has been made worse in sterling terms by the fall in the value of the pound against the dollar.

The level of cross border exposure (in the main for the finance of trade and commerce) to borrowers in certain countries who are now short of foreign exchange, particularly in Latin America and East European countries, has been a cause for some concern. However, in no country does the figure amount to more than about 1% of our total assets.

During 1982 Group assets grew in sterling terms by 21% but about one-third of this growth arose as a result of the fall in the value of sterling. However, capital resources increased by £737 million, the main additions being retained profit, two sterling loan stock issues and a revaluation of the Group's properties in the United Kingdom and in certain overseas countries.

In view of the healthy operating profit, we feel able to fulfil the intention announced last year effectively to increase the dividend by 20% over last year's level.

Timothy Bevan

Timothy Bevan, Chairman of Barclays Bank PLC

A COMPARISON OF 5 YEARS' RESULTS

	1982 £m	1981 £m	1980 £m	1979 £m	1978 £m
Profit before taxation	495.2	566.6	523.5	529.4	373.3
Profit after taxation	364.0	461.4	371.4	367.4	237.8
Special levy	—	94.1	—	—	—
Profit retained	253.8	274.7	296.1	305.4	198.8

DIVIDEND

The Directors recommend a final dividend for 1982 of 11.0p per £1 Ordinary stock (1981: 9.6p adjusted for the one for five capitalisation issue in 1982) payable on 12 May 1983 in respect of stock registered in the books of the company at the close of business on 31 March. On this basis the total distribution for the year will be 22.0p (an increase of 20% over 1981 total distribution of 18.3p, adjusted for capitalisation issue).

The total distribution on the Ordinary stock for the year of 22.0p per £1 stock is equivalent to 31.43% gross on that stock (1981: 26.19%).

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1982

(Historic cost basis)

The Directors of Barclays Bank PLC report the following Group results for the year ended 31 December 1982:

	1982 £m	1981 £m
Operating profit	487.3	557.8
Share of profit of associated companies	74.6	58.5
Total Group profit	561.9	616.3
Interest on loan capital	66.7	49.7
Profit before taxation and extraordinary items	495.2	566.6
Taxation	131.2	105.2
Profit after taxation	364.0	461.4
Profit attributable to minority interests in subsidiary companies	35.2	30.2
	328.8	431.2
Extraordinary item:		
Special levy on UK banking deposits	—	(94.1)
Profit attributable to members of Barclays Bank PLC	328.8	337.1
Dividends:		
Interim	37.5	29.8
Proposed final	37.5	32.6
	75.0	62.4
Profit retained	253.8	274.7
Earnings per £1 Ordinary stock	96.7p	127.3p
Dividends per £1 Ordinary stock	22.0p	18.3p

NOTES

1. The bases of accounting are as explained on pages 59 and 60 of the 1981 annual accounts.

2. Analyses of total Group profit:

	1982 £m	1981 £m
By nature of income/expense:		
Interest income	7,801.1	6,034.4
Interest expense	5,855.4	4,319.9
Net interest income	1,945.7	1,714.5
Other operating income	716.8	615.9
	2,662.5	2,330.4
Operating expenses:		
Staff	1,192.8	1,057.9
Property and equipment	329.6	254.7
Other	395.6	314.3
	1,918.0	1,626.9
	744.5	703.5
Charge for bad and doubtful debts	318.3	140.1
	426.2	563.4
Profits/(losses) on realisation of investments	61.1	(5.6)
	487.3	557.8
Share of profit of associated companies	74.6	58.5
	561.9	616.3
By geographical area:		
Domestic:		
Barclays Bank PLC	313.4	267.1
Barclays Merchant Bank Group	8.4	7.6
Mercantile Credit Group	42.4	52.1
Other domestic companies	51.9	47.0
	416.1	373.8
International:		
United Kingdom	24.4	28.7
United States	(35.1)	37.3
South Africa	78.3	70.8
Rest of the World	78.2	105.7
	145.8	242.5
	561.9	616.3

3. Movements in provisions for bad and doubtful debts in the year are:

	The Group 1982 £m	The Group 1981 £m	The Bank 1982 £m	The Bank 1981 £m
Provisions at beginning of year	538.0	446.6	250.5	236.4
Exchange and other adjustments	25.0	29.6	—	—
	563.0	476.2	250.5	236.4
Provisions raised, less amounts released	330.2	146.4	103.0	47.6
	893.2	622.6	353.5	284.0
Amounts written off	144.1	84.6	75.7	33.5
Provisions at end of year	749.1	538.0	277.8	250.5
Provisions at 31 December:				
Specific	534.5	335.8	183.9	140.4
General	214.6	201.2	93.9	110.1
	749.1	538.0	277.8	250.5

The charge against profit for bad and doubtful debts comprises:

	The Group 1982 £m	The Group 1981 £m	The Bank 1982 £m	The Bank 1981 £m
Charge for specific provisions	325.0	122.1	118.5	45.3
Charge/(credit) for general provisions	5.2	24.3	(15.5)	2.3
	330.2	146.4	103.0	47.6
Recoveries of amounts previously written off	(11.9)	(6.3)	(6.9)	(1.9)
	318.3	140.1	96.1	45.7

4. Taxation charged against profit for the year has been reduced by £128.4m (1981: £154.5m) due to the deferment of tax liabilities for which provision has not been made. The total amount of potential taxation not provided at 31 December 1982 is £732.4m (1981: £588.4m).

The Directors consider it prudent to continue to maintain a provision of 25% of the potential taxation liability in respect of the Group's UK leasing business.

5. Dividends on Ordinary stock:

	1982 p per £1 stock	1981 p per £1 stock
Interim dividend	11.0	8.7
Proposed final dividend	11.0	9.6
	22.0	18.3

The 1981 comparative figures are adjusted for the one for five capitalisation issue in 1982.

6. Earnings per £1 Ordinary stock are based upon profit after taxation and after deducting profit attributable to the minority interests in subsidiary companies, but before extraordinary items. Dividends on the Staff stock are also deducted.

The earnings amount to £328.6m (1981: £431.0m) and are related to the weighted average of £339.9m Ordinary stock in issue during the year (1981: £338.5m, adjusted for the one for five capitalisation issue in 1982).

7. Stockholders' funds (issued capital and reserves) have increased as follows:

	1982 £m	1981 £m
Profit retained	253.8	274.7
Surplus on revaluation of properties	228.4	6.4
Issues of stock under profit sharing schemes (including share premium)	4.1	7.6
Non-trading exchange surplus	13.2	2.6
Goodwill arising on acquisitions	(16.5)	(15.7)
Other items	14.3	(0.4)
	497.3	275.2
At beginning of year	2,266.7	1,991.5
At end of year	2,764.0	2,266.7

8. Certain balance sheet figures are:

	1982 £m	1981 £m
Capital resources:		
Stockholders' funds	2,764	2,267
Minority interests in subsidiary companies	179	132
Loan capital	625	432
	3,568	2,831
Deposits	51,910	42,834
Advances	43,693	35,613
Total assets	59,046	48,732

9. The information given in this preliminary announcement does not comprise full accounts within the meaning of Section 11 Companies Act 1981. Full accounts containing an *unqualified report given by the auditors will be published on 31 March 1983, and copies* will be delivered to the Registrar of Companies in accordance with Section 1 Companies Act 1976.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1982

(Current cost basis)

	1982 £m	1981 £m	*1981 restated £m
Historic cost operating profit	487.3	557.8	605.8
Current cost adjustments:			
Monetary working capital	(126.3)	(211.0)	(229.2)
Additional depreciation	(35.2)	(38.4)	(41.7)
Cost of sales	(1.1)	(1.5)	(1.6)
Current cost operating profit	324.7	306.9	333.3
Share of current cost profit of associated companies	55.9	36.6	39.8
	380.6	343.5	373.1
Interest on loan capital	(66.7)	(49.7)	(54.0)
Gearing adjustment	35.6	51.6	56.0
Current cost profit before taxation and extraordinary items	349.5	345.4	375.1
Taxation	(131.2)	(105.2)	(114.3)
Current cost profit after taxation	218.3	240.2	260.8
Attributable to minority interests	(25.4)	(14.6)	(15.8)
Special levy on UK banking deposits	—	(94.1)	(102.2)
Current cost profit attributable to stockholders	192.9	131.5	142.8
Dividends	(75.0)	(62.4)	(67.8)
Current cost profit retained	117.9	69.1	75.0
Current cost earnings per £1 Ordinary stock	56.7p	66.6p	72.3p

*In order to make allowance for the effect of inflation, the 1981 figures are restated in this column in 1982 £ value terms by reference to the movement of the UK retail price index.

BARCLAYS

BY ORDER OF THE BOARD, P. S. PERRY, SECRETARY,
REG. OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH.

Reg. No. 48839 7th March 1983

UK NEWS

UK economy facing 5 years in doldrums says forecasting unit

BY MAX WILKINSON ECONOMICS CORRESPONDENT

BRITAIN'S economic growth rate will be substantially slower for the next five years than that of any other major industrialised country, the Oxford Economic Forecasting says in its latest outlook, published yesterday.

The organisation, based on the *Oxford Centre for Management* Studies, believes that if present policies continue, UK output will grow by an average of about 1.8 per cent a year between 1982 and 1987. By contrast, average growth in the industrialised world for the period is forecast to be 2.7 per cent a year.

Forecasters expect UK output to grow slowly in the present year, with the average level 1.5 per cent higher than in 1982. Activity is expected to pick up in 1984 with a growth rate of 2.5 per cent – comparable in that year with growth in other European countries.

However, on the assumption that the Conservative Party wins the next general election and pursues similar policies, the forecasters predict that the growth of UK output will slow down to about 1.5 per cent a year after that.

This would be only about half the growth rate for the industrialised world as a whole in the same period.

For the next financial year (1983-84), the Oxford group predicts that public borrowing would be well below the £8bn target assumed by the Treasury last autumn. In spite of the recent fall in the pound, it predicts that Chancellor of the Exchequer will have about £2bn available to "give away" in the budget on March 15, and still be able to announce a borrowing of £8.75bn.

It expects that cuts in income tax will help to stimulate domestic demand in the UK, which it forecasts will rise by 2.5 per cent this year and will provide the driving force behind the recovery. The recent fall in the value of the pound has improved competitiveness but this is unlikely to have an immediate impact on export performance.

February 1983 Forecast from Oxford Economic Forecasting, Oxford Centre for Management Studies, Kennington, Oxford.

UK Economic Forecast

	1982	1983	1984
Output	0.7	1.5	2.5
Consumer spending	1.1	1.9	1.6
Exports	0.0	0.4	4.4
Imports	4.0	3.9	7.5
Jobless	2.9	3.1	3.1
Current account balance of payments (£bn)	4.7	1.5	−1.5
Inflation (retail price index)	8.6	5.9	9.0
PSBR (£bn financial years	7.5	8.7	7.4
World trade in manufactures	−2.0	1.0	4.8

(% changes on year earlier unless otherwise stated)
Source: Oxford Economic Forecasting

Promising new gas find in North Sea

By Ray Dafter, Energy Editor

THE British Gas Corporation has made a promising North Sea gas discovery about 30 miles off the Humber estuary.

The corporation, as operator of an international drilling consortium, said it tested "good quality natural gas" at attractive flow rates. The reservoir is a "virgin structure," near the important Rough gas field.

More drilling will be required to assess its extent but British Gas is considering the discovery's commercial implications.

The find was made by the drilling rig Britannia in block 47/9b in the southern portion of the North Sea. The Britannia rig has moved to the Rough field, to be engaged in development drilling on behalf of British Gas.

The field is being redeveloped as a combined storage and peak production reservoir. Gas will be pumped into the field during summer months of low demand and extracted during peak periods.

The discovery is the fourth in an eight-well programme since the beginning of 1982. Three of the potentially commercial discoveries have been gas, and the fourth an oil find onshore.

British Gas has been told it must concentrate on gas exploration and production. Any oil discovered is likely to be sold to the public or other oil companies.

U.S. precision factory a first

BY ROBIN REEVES, WELSH CORRESPONDENT

ALIGN-RITE CORPORATION, a California-based producer of photomasks for semiconductor manufacture, is to open a £5m mask-making works at Bridgend, South Wales, which may service the North American east coast as well as Europe.

Mr James L. MacDonald, the company's president, said yesterday the plant would be the first in Europe geared to producing line widths below one micron – essential for making VSLI (very large scale integration) circuits.

The plant, which is receiving Government Selective Financial Assistance and regional development aid, will be the first to be built on a "science park" near Bridgend. Another U.S. electronics manufacturer is expected to announce a development on the site within a few weeks.

Mid-Glamorgan Council has just placed the construction contract for developing the first 30 acres, which will be capable of taking six to eight high technology projects.

Align-Rite will start building within the next six weeks and will be in production by the end of this year. It expects to be employing 150 in three to five years' time.

Semiconductor photomasks are chrome and emulsion photographic plates performing a vital function in manufacturing silicon chips. They trace the circuit designs so that these can be etched into silicon wafers to create integrated circuits.

Mr MacDonald said the company had calculated that the five-hour difference across the Atlantic, combined with the nearness of Heathrow and Cardiff Airports, might produce a quicker turnround for orders from the U.S. east coast, California and Europe.

In the UK semiconductor manufacturers currently have to wait up to six weeks for photomask orders to be met. Align-Rite would be geared to meeting orders within three to five days.

BL unveils new Land Rover

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE LAND Rover One Ten, the most significant development of the Land Rover since it was launched in 1948, is unveiled by the BL subsidiary today at the Geneva motor show.

The One Ten range – so-called because of its 110-inch wheel base – is the most important product to emerge from the £200m five-year investment programme begun at Land Rover in 1978.

Its launch comes after two very difficult years for the company in which competitors, notably the Japanese, have captured a growing share of the four-wheel drive vehicle market.

Land Rover's aim is to broaden the appeal of the vehicle, but to do so through an evolutionary approach, which means that the newcomer looks much like its predecessors. Ride and handling have been improved considerably to appeal to private buyers who have been turning in ever greater numbers to the Toyota Land Cruiser and the Nissan Patrol.

At the same time the company has tried to strike a balance between the needs of private buyers and a more fundamental specification for military fleets, which have for many years provided much of its business.

The One Ten goes on sale in the UK and Switzerland today

New model for the world, Page 17

THE ARTS

Faces from a vanished past

David Piper reviews an exhibition of portraits of long-dead grandees and wonders who will give them house room today

The title Colnaghi has given its exhibition (till March 31) in New Bond Street might be thought open to charges of racism—English Ancestors. In fact they include Irish, Scots, Welsh, part-Dutch. Justifiable perhaps as a realistic acknowledgement of the mongrel nature of the English. But the artists who delineated this "Englishness" included Dutch, Flemish, French, Italian, Irish, Scots, Hispano/Flemish, German. In the 17th century, predominantly foreigners — the Fleming Van Dyck (not represented here, but still to be seen in his splendour at the National Portrait Gallery exhibition); his successor as general officer commanding British portraiture, the Dutchman Lely (died 1680), and his successor (right up till 1723) the German Kneller.

To analyse and identify the specific "Englishness" of the portraits they painted is a baffling task. In Van Dyck the balance between the grand baroque design and the individuality of each sitter's phiz is generally, and often most vividly, achieved, but with Lely (especially in his female portraits) and Kneller the works are most obviously identifiable as being primarily Lelys and Knellers. The sitter tends to become a specimen of the painter's style. Yet the Lelys and Knellers in this exhibition are certainly not typical Dutch or German School pictures: they are indubitably English. In fact Lely formulated the record of the physical appearance of the courtiers of the Restoration for posterity, and Kneller, leaner and more vertical, performed the same service for the aristocracy and gentry of England after the Glorious Revolution and into the reign of George I.

One of the pleasures of Colnaghi's show is however the quality revealed by some of the lesser known painters. Thus an early painting, of the 1690s, by Jonathan Richardson is startling in its brilliance of colour and freedom of painting, with a bravura that the painter lost entirely in his later years. It features the youthful Edward and Constantia Rolt in a landscape, imbuing them also with a certain mad and enigmatic charm—he holding a spear of uncertain function, she eyeing her brother with some anxiety.

My own personal favourite is a study of an unknown girl, leaning on a ledge, with a waterfall beyond. The virtues, and originality of its painter, J. B. Clostermann, were demonstrated a little while back in a revelatory little exhibition at the National Portrait Gallery staged by Dr Malcolm Rogers. The chosen painter of that arbiter of taste, the 3rd Earl of Shaftesbury (of the *Characteristics*), Clostermann could essay very ambitious departures from the standard formulae for portraits established by such as Kneller. In this portrait of a girl, beautifully simplified and in that low-keyed, almost muted, palette that Clostermann favoured, he evokes extraordinarily romantic and moody overtones. It might almost be by Prud'hon a century later.

And then there are one or two examples of the charm of the naive. 'Two Young Cricketers' painted by one Nathan Downer, of whom almost nothing is known but that he showed at the Royal Academy through four years in the early 1770s. Brothers presumably, with a wolfhound with a muzzle as long as an anteater's and their own faces poignantly moonlike with enormous dark eyes. At the other end of the scale of sophistication, a painting by that mysterious, formidably accomplished, artist from Salisbury, working in the 1770s: George Beare. Miss Fort of Alderbury House, a lustrously amorous lady holding a sprig of jasmine to her cheek (presumably signifying impending nuptials), an ermine tippet round her throat. Beare's portraits tend to be attributed to Hogarth, and the quality is not uncomparable. Or, by a relatively rare Dutch visitor to England in the early 1660s, Pieter Nason, a no less smug characterisation of the 1st Earl of Shaftesbury in which the painting of linens and satin is almost mouth-watering.

Into the relatively small area of their exhibition galleries, Colnaghi has managed to fit in a fetching range of really very large paintings — groups, clusters, bouquets of families or friends. Reminders not least of more spacious days, when the builders of country houses had room and to spare for the life-size reflections of themselves and their families. In his introduction to the catalogue, John Harris makes an eloquent plea for collectors and art-historians alike to pay more attention to portraits of the past. But what, one wonders, can the future hold for those vast and crowded canvases? One might almost buy a few, pitch them together as a tent, and live in them: they would provide the company. One of them has a story attached—a group of gentlemen at cards. Said to have been commissioned (from the very competent West Country painter, Thomas Beach) in 1775 by a Mr Naper Dutton to commemorate a game in which Mr Dutton had been saved, by a warning from his friend Mr Chamberlain of Stow-in-the-Wold, from making a bid which would have cost him his entire estate. Everyone looks suitably and momentously serious, Mr Naper Dutton especially so, reflecting almost audibly on human folly.

More usually however, these groups are straightforward family records. Kneller displays the Harvey family across the foreground, posed as if in a shop window, clothes in mint condition, faces (even grandma's) likewise. There is no sense of communication between the sitters—even the husband's hand, intended to rest on his wife's shoulder, seems not quite to have established contact. In contrast, the group by that neglected painter, Joseph Highmore, is a lively assembly in sparkling high-keyed colour: gestures and eloquent glances abound, silks flow and flowers spill. There seem to be 10 children, and mother, and (borne heavenward by angels) the deceased eleventh child, while the fertile father, Eldred Lancelot Lee, who died two years before the group was painted, is present only in a partially obscured portrait on the wall behind.

In a grandiloquent exercise on the state portrait, Reynolds pulls out all the stops. On close examination, his sitter, a freshly elevated Viscount, John Ward may be diagnosed correctly as a rather stumpy, complacent peer, but so successful is his elevation by art, his satin, red velvet and ermine-collared robe spread wide as a sail for winds of glory, his shortness dissembled by the colossal soaring column behind him, the swirl of drapery, a richly turbulent sky, that the overall impression is of compelling nobility. But they are all, the sitters in this show, exiles now. Their provenances, the rich names of the rich houses for which they were painted, toll like passing bells—Passhanger, Thornham Hall, Rolls Park, Raynham, Burley-on-the-Hill. Ghosts, you may think of a way of life gone for ever, yet still vivid witness of English history, still unreconciled and indomitably showing brave faces. Who will give them shelter? Whose short of ancestors?

Edward and Constantina Rolt by Jonathan Richardson

Hong Kong learns to enjoy the arts

Antony Thorncroft reports on the arts in Hong Kong which are developing as rapidly as the colony's skyscrapers and population

The chorus line edges on stage, legs high kicking, costumes perhaps borrowed from a particularly decadent night club in Isherwood's Berlin. But what's this: surely the big girl third from the right is a man? This must really be the end of civilisation as we know it.

For such voyeuristic embellishments might be *de rigueur* in the decadent West but this is Hong Kong, a place dedicated to the pursuit of wealth not wantonness. Obviously in the five years since my last visit the arts have flourished in a part of the world which has traditionally worshipped Mammon rather than Mahler.

The chorus was from the Sydney Theatre Company's production of Chicago, the hit of this year's Hong Kong Arts Festival which ended last week. Much on show was copied from the original Broadway production. The set retains the mobile bars of Cook County Jail, home to a bevy of lady killers whose reward for murder is acquittal, fame and a show biz career. The band still blows its rag time perched above the stage, and the inmates bitch and bicker in the scantiest of costumes. The vaudeville atmosphere survives, with a master of ceremonies to introduce the routines, an improvised approach which ensured that this was one Broadway musical which did not get an immediate transfer to Shaftesbury Avenue.

But Sydney has added some trimmings, notably a male falsetto, J. P. Webster, as Mary Sunshine, the gooiest of the credulous journalists. John Kander music may be stronger on '20's pastiche than hit songs, and Fred Ebb and Bob Fosse's book loses t political message in the gags and garters of this attractive company, but seen amid the Chinoiserie of the Lee Theatre in down-town Hong Kong this *Chicago*, with Nancye Hayes as the most sprite)y of a nimble cast, had an immediate appeal. *Chicago* has none of the pretentiousness of big time Broadway and, as racy entertainment, seemed quite at home in the frenzied bustle of Hong Kong.

When the Hong Kong festival began ten years ago productions like *Chicago* might have shocked the Europeans in the community and have been shunned by the Chinese. It played to full houses and an enthusiastic reception. The arts have made tremendous progress in Hong Kong in recent years proving that whatever this extraordinary place puts its mind to it succeeds in achieving—and on a grandiose scale, too.

For just over five years a 17-storey Arts Centre has been in business and an Academy of the Performing Arts, with Dr Basil Deane, formerly music director of the UK Arts Council, in charge, opens soon. Across the water on mainland Kowloon a new cultural centre will appear by 1985 with an opera house and a concert hall, and other arts complexes are planned for the New Territories. The annual festival, matched by one dedicated to Asian arts in the autumn, has stirred competitive arts rivalry in the colony with Hong Kong City Council financing a symphony orchestra and booking visits by top international artists to maintain the momentum outside festival time. As a result a part of the world which was a cultural wasteland now catches most major figures flitting between the UK and the U.S. and Australia and Japan and local involvement in the arts has grown tremendously.

Hong Kong audiences are not very sophisticated and the language and cultural differences of the two communities create problems for the Festival's director, Mr Keith Statham. He does not book avant garde artists and this year has concentrated on performances with a mainly visual appeal. In drama, as well as *Chicago*, the National Theatre brought *Hiawatha* and played in the Queen Elizabeth Stadium, usually the scene of sporting contests, and from Barcelona came the mime and dance group, Teatre de la Claca. There was a trio of mimes and clowns; Jacques Lecoq from Paris, Dimitri, the Swiss clown, and Radeis, Belgian street entertainers.

The absence of the classical theatre did not seem to be missed—there was a record 120,000 tickets sold, with 85 per cent capacity for over a hundred performances. On the music side, as well as the Scottish Chamber Orchestra and Philharmonia Hungarica, there were the Songmakers Almanac, Rostropovich, Cherkassky, Vishnevskya and all. Attendances at the musical events were well leavened by Chinese, who had their own interests looked after in a visit by the Chengdu Ensemble from Szechuan in north China with a Tibetan dance drama, as well as performances of Cantonese opera, enjoying a revival now that the barriers between Hong Kong and China have disappeared.

The state of the arts in Hong Kong was well illustrated by a production of *The Secret Marriage*, written by Cimarosa, the Neapolitan contemporary of Mozart for the Emperor Leopold II in 1792. Leopold liked it so much that the company did an immediate encore. *The Secret Marriage* had been sung in Italian by Cologne Opera at Sadler's Wells in London recently but the Hong Kong version was in English with a case of young Australian singers and Richard Divall, music director of Victoria State Opera, as conductor of the Hong Kong Philharmonic. The director was a Hong Kong local, Douglas Gautier.

The production was immensely enjoyable. Performed in the 450 seat Shouson Theatre in the Arts Centre it somehow managed to create the light hearted atmosphere of its original setting—for a small court rather than a large auditorium. Claire Lyth had designed a gilded, glistering set and although the English text was stilted and rarely felicitous it had the great advantage of involving the audience not only with the action but also with the characters.

The plot, based on *The Clandestine Marriage*, is routine but the competing soprano sisters, Marie Angel and Fiona Macognaghie, were nicely contrasted as white queen and red queen and the good natured hamming of the company suited music which has little pretension but a great deal of charm. It was the ideal opera for Hong Kong, and the substantial section of the audience who had gone, like many opera audiences, out of duty was visibly and audibly won over. In London the inexperience or vocal limitations of the singers might have upset the critics but in this intimate atmosphere, with an attractive cast which was obviously enjoying the occasion as much as the audience, the evening was happy and uplifting, a shot in the arm for opera and the arts in Hong Kong.

The Secret Marriage was a clever blend of locals and imported professionals, but the Festival is developing a home grown Fringe which is probably more important in its year round contribution to life in Hong Kong than the brief influx of star names. Here again enjoyment of the arts rather than any great interest in their uplifting or revolutionary purpose is most apparent, but from such circles rarities sometimes emerge.

In a double bill with Rattigan's *Harlequinade* the Hong Kong Stage Club had unearthed *Two Gentlemen of Soho* by A. P. Herbert, presumably written in the 1920s for some late night theatre club. The Shakespearean spoof of bandying noble names into a gazetteer and killing off the cast sub-Hamlet would embarrass sixth formers today but the piece had charm in exposing just how rigorous was the reign of Jix and Home Office busybodying in the 1920s. The Hong Kong arts may go in for a little self censorship, but in a place where politics and philosophies are relegated into minority sports, this escapist view of life fits the mood of a colony where the future may not happen.

Bath plans to tour

Jack Phipps, who resigned as general administrator of Aldeburgh last October, is to become theatre director of the Theatre Royal Bath in June. His main task will be to develop touring productions of plays originating at Bath. The day-to-day running of the theatre will be the responsibility of Ros Cliffe who replaces Crispin Raymond. Mr Raymond remains on the board.

Miss Julie' in the West End

Strindberg's *Miss Julie* starring Cheryl Campbell and Stephen Rea has opened at the Duke of York's Theatre. Clare Davidson's production was warmly reviewed on this page by Michael Coveney when first seen in January at the Lyric Studio, Hammersmith, designed by Dermot Hayes and with lighting by Dave Horn.

Emil Gilels/Festival Hall

Dominic Gill

Gilels's last piano recital in London, an all-Beethoven programme exactly a year ago to the day, was a miracle of powerful distillation, precision and classical poetry. His latest appearance, with a programme of Schumann and Brahms on Sunday afternoon, was a more kaleidoscopic, uneven, impulsive affair. But at its best, the playing was no less compelling, perceptive or finely crafted: and the recital, as a whole event, was no less highly charged.

It was an afternoon for huge and, in pianistic terms, elemental risk-taking. It is almost a defiance of natural laws to open a full-scale daytime solo recital, before the adrenalin has begun to run or the fingers settle, with the first book of Brahms's Paganini Variations. But that was Gilels's scheme. Perhaps once in ten times the risk misfired; but nine times more the vindications was absolute, and triumphant.

He was in the mood for violent contrasts: big, savage sound-canvases juxtaposed with reflections of the most melting delicacy. In the more forceful of the Brahms variations there was plenty of splashing: but the fluffed chords and notes were incidental and never incoherent—at either extreme there was a powerful clarity both of intention and execution. There was no attempt to soften the edges, or round the sharp corners, of Brahms's seven Fantasies op 116, each one a full-fledged dramatic statement rather than (as they are sometimes perceived) a mere wisp of nostalgia, resigned as frantic. The nostalgia of the great E major Intermezzo was all the more poignant for the unsentimentality of its vision of insupportable, unobtainable sweetness: on the opening page, the right hand's answering motif was more clarion call than dolce sigh.

Gilels began his second, Schumann half with the little set of four *Clavierstucke* op 32—the central section of whose "Romanze" was as arresting as anything in the recital, the purest seamless vocal line spun above a distant (but perfectly articulated) accompaniment. On the *Etudes symphoniques* he brought to bear the full weight of his own, and his instrument's, orchestral genius: in the second *Etude* especially, played more slowly than I have ever heard it, but with irresistible momentum, an extraordinary sonority of horns and strings. Gilels's pedalling of the dotted rhythms of the French-overturish no 8 was an adventure in itself — as indeed it was throughout the recital (clearing the pedal only on the third beat of the opening measures of the Brahms A minor Intermezzo was another daring and very striking effect). The duet of the G sharp minor *Etude* was never more rapily or eloquently sustained; the finale has never sounded grander or, massive splashes and all, more inspiring.

Women at War/Round House

Max Loppert

The latest concert programme to be promoted by the Contemporary Music Network for touring across the country has been devised with typical flair and acumen by the Songmakers' Almanac. Janacek's *Diary of a Boy Who Disappeared*, planned as its foundation, calls for piano, tenor solo, and four subsidiary female voices: to balance it, and also to provide more substantial occupation for female quartet elsewhere in the concert, the Songmakers requested from Robin Holloway a complementary song cycle. The result is *Women at War*, a "Revue" for four women's voices and piano, which proved, in its première on Sunday, to be a work quite arrestingly imaginative as anything Holloway has produced.

The war in question is the Great War: and the texts (left unattributed by the composer) are a medley of women writers of the period, from which Holloway has derived both a composite "portrait" of the era and a shapely structural basis. The work falls into five sections—prologue and epilogue separated by three substantial parts—and pursues a dramatic scheme in which, out of various vocal combinations with and without piano, a kaleidoscope of moods is patterned, ranging from the energy, pride, and working-woman's bustle of the opening to the bitter anger of the finale.

The writing is of extraordinary facility and deftness, almost a thesaurus of the possibilities offered by a female quartet and piano—in the long middle section ("Pastoral" and "Love and Loss"), as the voices slip from folksong-like solo into a *capella* quartet and then into a quicksilver web of contrasted duets, the sheer fluency of the execution compels admiration quite as much as pleasure. As ever in a Holloway work, the sense of influences drawn upon and creatively absorbed is clear: Britten's "From the gutter" female quartet (Grimes) and the sweet concords and conjunctions of Strauss's *Ariadne* are in the background: yet the flavour of *Women at War*—lyrical, wry, quite strong and thoughtful beneath its various quick-change guises—seems to me quite personal, and wholly original.

It is a long work, 35 minutes or so; but on Sunday, eloquently sung by Miriam Bowen (a lovely, limpid soprano), Caroline Friend, Patricia Taylor, and Linda Hirst, and with the formidable piano part energetically played by Graham Johnson, it held the attention throughout. Neither the Round House acoustics nor the piano were of ideal quality for the occasion; in the Janacek (with Philip Langridge a very sympathetic tenor lacking in strong top notes), Mr Johnson's touch appeared less than ideally incisive. The programme is completed by a bouquet of World War I songs by Bridge, Gurney, Ireland and Holst; and is eminently worth catching anywhere on this fortnight's round.

Obituary/Cathy Berberian

The American singer Cathy Berberian, who has died at the age of 54, was an artist of extraordinary versatility and accomplishment. She made her reputation as the vocalist whose many unusual gifts—including the ability to pitch accurately across a three-octave compass, quick study, and wide dramatic and mimetic range—Luciano Berio drew on in composing much of his vocal music (such as *Sequenza III* and *Recital*). (She was married to Berio from 1950 to 1966.)

But she inspired many other leading composers besides; and though personal taste, as well as the dimensions of a voice warm and keen in quality but small in power, kept her from the operatic stage, her marvellous wit, theatricality, and intelligence were readily appreciated in the "staged" recital programmes which were a specialty of her latter years.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 4–10

Opera and Ballet

WEST GERMANY

Berlin Deutsche Oper: Lohengrin with Karan Armstrong and Peter Hofmann. Götz Friedrich's Aida has fine interpretations by Julia Varady and Giorgio Lamberti. Boris Godunov features Sieglinde Wagner and Martti Talvela. Idomeneo has Edda Moser. Salome, produced by Wieland Wagner, rounds off the programme. (34381).

Hamburger Staatsoper: Fidelio has Rainer Goldberg as Florestan and Lisbeth Balslev as Leonore. Bach's Amadis, rediscovered after 200 years, is produced by Marco Arturo Marellis, conducted by Helmut Rilling and features Doris Soffel and Helen Dunati. Also Hoffmann's Erzählungen with Neil Shicoff in the title role as well as Der Lieberstrand with an all-Italian cast. Der Rosenkavalier with Brigitta Fassbänder as Octavian, Helen Donath as Sophie and Hans Sothin as Ochs has been highly acclaimed (351151).

Frankfurt Opera: Die Sache Makropulos, an ultra-modern production by Ruth Berghaus, has Anja Silja excelling in the part of Emilia Marty. Fidelio has Ingrid Haubold as Leonore. Der Fliegende Holländer sees Maria Slatinaru making her debut as Senta and Leif Roar in the title role. Un Ballo in Maschera is a fresh and delightful revival. (25621).

PARIS

Prokofiev's Love of Three Oranges – Opera Comique. (296 1220)

The Sleeping Beauty Paris Opera Ballet. Palais des Congès (758 1458).

The Paris Opera Ballet School at the Théâtre des Champs Elysees (723 4777).

LONDON

Royal Opera, Covent Garden: Carmen, with a cast brilliantly led by Agnes Baltsa and José Carreras, returns in triumph to Covent Garden after an absence of six years. Colin Davis conducts. (240 1066).

Sadler's Wells, Rosebery Avenue (278 8916): Ballet Rambert in works covering the company's history, from Ashton's Capriol Suite to Alston's Rite of Spring.

NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): First seasonal performance of Fabrizio Melano's production of Madame Butterfly, conducted by Eugene Kohn with Teresa Zylis Gara and Nicole Lorange. Also Don Carlo, La Boheme, and Der Rosenkavalier and the last seasonal performances of Adriana Lecouvreur and Arabella. (580 9830)

Jennifer Muller and The Works (City Center, 55th E. of 7th Av): Better known in Europe than her native America, Muller and company perform two world and three local premières in the four programmes of mixed repertoire. (581 7907).

WASHINGTON

Dance Theatre of Harlem (Opera House, Kennedy Center): Classically-trained dancers with a special interest in American forms and traditions have blossomed in one of America's best loved troupes. Their three-programme repertoire includes three premieres along with five familiar pieces, among them Firebird by John Taras and A Streetcar Named Desire by Valerie Bettis. (254 3770).

CHICAGO

Porgy & Bess (Arie Crown): This full scale revival with 90 actors and 58 piece orchestra will go on to New York to mark the 50th anniversary of the Gershwin classic of melodious heartbreak in the ghetto. (791 6000)

VIENNA

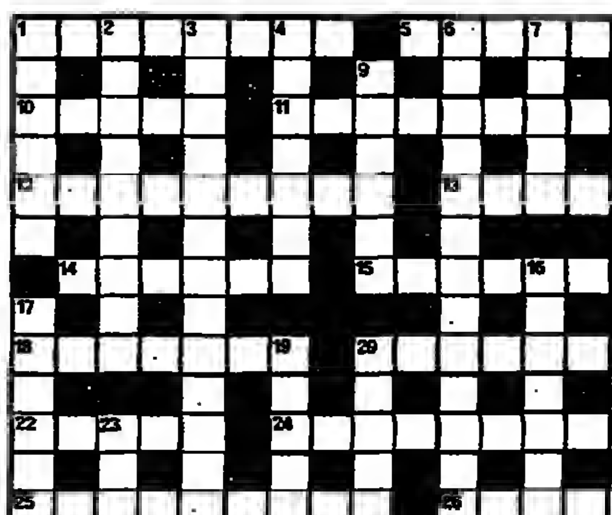
Staatsoper (5324/2655): Die Schweigsame Frau, Il Trovatore, Der Barbier von Sevilla.

Volksoper (5324/2657): Das Feuerwerk, Der Graf von Luxemburg, Die Entführung aus dem Serail.

HOLLAND

Nederlands Opera is presenting Der Fliegende Holländer at the Circustheatre, Scheveningen and Amsterdam Stadschouwburg.

F.T. CROSSWORD PUZZLE No. 5,116



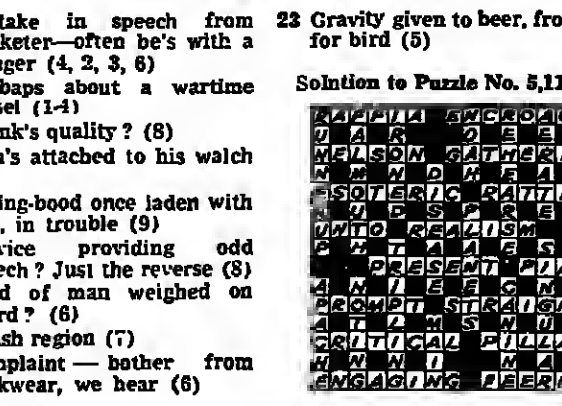
ACROSS

1 Make nothing of the speech (8)
5 Dose up in a way that's unreal (6)
10 Tyro in attempt to become polished (5)
11 Invalid with flower in anger—it's seaweed! (9)
12 Greedy, I dined after a tin's outpouring (9)
13 Are logs to base? Frequently (5)
14 Look at the American summerhouse (6)
15 You may get the needle trying to prevent it (7)
18 Sheer guts (7)
20 A case of society leading former PM? (6)
22 Here's a thing about period of retirement (5)
24 Without feeling hardly (8)
25 Runs excessively? (9)
26 It's a grind for the dandy, we hear (5)
27 Excitedly, Reg sat exams (6)
28 Turn to fewer bureaucrats? (8)

DOWN

1 The covering around is for a flier (6)
2 Current variations may come from them (9)
3 Take Tom's beef—hit badly (Got to cope somehow) (4, 3, 4, 2, 2)
4 Hope for a try? Not recently (4, 3)
6 Mistake in speech from cricketer—often he's with a clanger (4, 2, 3, 6)
7 Perhaps about a wartime vessel (1-4)
8 Frank's quality? (8)
9 Man's attached to his watch (6)
16 Riding-hood once laden with this, in trouble (9)
17 Service providing odd speech? Just the reverse (8)
19 Kind of man weighed on board? (6)
20 Polish region (7)
21 Complaint — bother from neckwear, we hear (6)
23 Gravity given to beer, frothy, for bird (5)

Solution to Puzzle No. 5,115



TECHNOLOGY

EDITED BY ALAN CANE

JAPANESE ENTHUSE OVER OFFICE AUTOMATION

How Itoman took the plunge—and survived

BY ROY GARNER IN TOKYO

JAPAN MIGHT be the land of microchips and romputer wizardry, hut the task of effectively and profitably applying new technotogy to the "automation" of everyday office work has been just as much a worrisome leap in the dark for tbe average Japanese company executive aa it has for bis overseas counterparts.

Yet, the traditional readiness of the Japanese to ignore short-term profit margins in favour of long-term gains is once again paying off and, despite the difficulties of inveatment at a time of economic reression, Japanese companies generally view O/A (offire automation) in a positive way.

The result has been the emergence of a local O/A market wortb in the region of Y1,000bn.

A typical example of this forward looking approach to the office automation issue is provided by Itoman, an Osaka-based, medium-sized general trading bouse with 1,300 employees, now celebrating its centenary year.

Early in 1981, Itoman'a Tokyo office possessed just one personal computer and two English language word processors.

Now, as a result of barely two years of practical O/A experimentation an ambitious Y2bn O/A investment programme will link tts Tokyo, Osaka and Nagoya central offices, 40 or more subsidiaries, and other related offices nationwide, hy means of a computer network system incerporating at least 300 office-based personal cemputer terminals, and other peripherals, connected to a remotely-located NEC Acos 750 large host computer.

Extensive

By this extensive introduction of O/A equipment, Itomon has plans io restrict personnel, its most costly resource, to the present cost-effective levels, while maintaining the company's healthy turnover, which has doubled in the last five years.

Mr Norio Takahashi, Itoman's personnel manager, recalls tbat the decision to automate was initially a chance affair, triggered by a young employee and his keen interest in word processors.

Early in 1981 be attempted to put his hobby machine to gainful use in collating the voluminous data on iron and steel exports handled by his department, and his successes were sufficient to catcb the eye of Mr Shouzo Tada, the managing director.

Tada held talks with company president, Yoshihiko Kawamura which led to a decision to experiment with O/A introduction as a means to get more work done in fewer man hours, something urgently needed after a difficult period of company re-organisation.

In Tokyo and Osaka, 30 personal computers and five Japanese and five English language word processors were inatalled and a new "office automation aection," ataffed by 10 young women employees, was established, with the initial aim of cultivating resident expertise in computer use.

No specialists were available within the company, but an O/A enthusiast, Mr Yoshiaki Otsuka, waa given the new full-time post of O/A section manager and NEC, the main hardware supplier, assigned an expert to instruct staff in basic programming technique.

A further boost to the project was given in April last year when 10 women university graduates were recruited especially for the O/A department.

None had any previous experience, and for the first three months they received a series of leciures on bandling the equipment, and training sessions were organised, based around real office work.

Takahashi says that it took from one to two months for the O/A staff to moster the simplest programs, though all are now proficient in cemputer use.

One thing learnt quickly was that the easiest program can lead to greater efficiency and that there is no correlation between the difficulty of a program and the efficiency it achieves.

To illustrate, he cites the case of a simple program designed to handle the colculation of rent-sharing between different trading sections in the Tokyo HQ. The job previously took five staff one week to complete, but is now done in 30 minutes by one employee with a personal computer terminal.

Throughout the company the instruction was given, from the start, for all employees to look out for elements of their work which were tiresome or repetitive and whicb might be suitable for automation. One outcome of this was a further simple discovery, that automation is not always the answer in the searcb for the most effective working practice. Nevertheless, a total of more than 100 programs bave already been successfully applied.

As a result of the O/A drive a key objective has already heen realised of freeing staff from the "servire" areas of work to the "sales" side of the business. This ratio of "sales-service" has shifted from seven to three in 1981, to eight to two at present, and a ratio of nine to one is the eventual target.

Division

The division is also one of the sexea, as it is almost exclusively women who are being assigned to the computerised office work and men to active sales positions. Looked at on a nation-wide scale this is a clear trend, and explains the growing demands on female Japanese job hunters to offer O/A literacy.

It is also a factor behind the increasing problem of female unemployment. In many cases it is the business sections employing women whicb are being most speedily rationalised by the "O/A book."

The bright side of the cloud, bowever, is the growing market for agency and freelance computer work, including that done at home on borrowed terminals, and Takahashi points out that, once a girl bas O/A experience, the openings for work increasingly will not be limited by mobility, oge or marital status.

Itoman's initial O/A investment, in about 80 machines at approximately Y1m apiece, and in costly personnel training, has been substantial. Takahashi claims, however, that the "break-even" point, when increased efficiency will cover investment costs, is foreseeable "during this year," and suggests the whole process might typically take between two and three years.

Mr Norio Takahashi of Itoman with word processing equipment: optimistic that office automation will solve growing labour cost problems

Manufacturers both assist and are ossisted by such ventures. According to Takahashi, almost every machine throws up "some problem, some inconvenience," and this information is passed on to the manufacturers who upgrade the installed units "almost month by month."

Itoman uses the equipment of several makers and avoids dependence on one company for this reason; applications are so diverse, a wide choice of unit is essential.

O/A organiser, Otsuka, says that the chief difficulty in his task bas been the established mentality of the regular staff. The hardest group to influence has been those busy on daily sales-related jobs who "don't realise that they can save time" by scheduling computer study periods. Resistance also arises because most rompany graduates bave an arts background and are "not interesied in machines." In general, the older the employee the less willing he is to take part.

In future, all newly-employed Itoman staff will receive basic O/A instruction, and employment interviews will stress the important role that computers are to play in employees' daily life.

There will also be special training schedules during the introduction of the new MINT (Management Information Total Network System), a process which will take a year, beginning this October.

Each "service-side" employee will receive two weeks of training, starting on the present equipment, though Takahashi expects this will not be long enough.

By use of the MINT equipment. Itoman plans to achieve a smoother centralised system of statistics control and management, and to further close the communication gap which still exists between the acrounts and the trading sections of the company.

Takahashi claims that setting up the O/A section was "very much o successful move" and, points out that the national trend in Japan is towards a rapid ageing of the population —something he describes as the main background for the introduction of O/A." He is optimistic that O/A use will solve his compony's central problem of growing labour costs.

The average age of Itoman employees is 38-plus, and other Japanese trading companies are "this or more," in contrast with manufacturers, which have an average of around 28 years; a difference which highlights the the fact that, for various reasons, certain companies are more suited to effective automation of office work than others.

Takahashi scorns the notion that O/A introduction will take away jobs, believing that where automation is properly applied "another work will be born." In his words, "this same fear must have been discussed when Charlie Chaplin performed in *Modern Times*.

RESEARCH

NTT chip advance

RESEARCHERS at the Nippon Telegraph and Telephone Public corporation (NTT) bave developed o cheaper way of making very large scale integrated circuits. Much of the work has been carried out at the organisation's Musashino Laboratory.

Apparently researchers have developed a better way of isolating one transistor from another on the silicon chip. In this process a transistor is first covered with porous silicon, then the covering is oxidised to form the insulation layer.

Researchers in the lab say that the chief application is in CMOS technology often used in communications equipment. A CMOS logic lsi, according to the company is 30 per cent faster than an equivalent CMOS circuit and consumes 40 per cent electricity. The basic CMOS process is already widely used in the industry because of its low power consumption. Consumer goods such as digital watches and calculators are extensive users of the technology.

Also a 16k bit memory circuit was test-manufactured by the new process. Results showed that the memory had an access time of 35 ns, which makes it the fastest of its kind say NTT's researchers.

CONTRACTS

George Dew wins £2.5m orders

GEORGE DEW INTERNATIONAL (DUBAI) has been awarded a contract valued in excess of 8m Riyals (£1.5m) by the State of Qatar for the construction of a nursey and plant production complex at the University of Qatar at Doha. Work is scheduled for completion in late January 1985. Situated some 25 km from the centre of Doha, the complex will cover an area of 26,000 sq metres. It will include two propagation houses, each 8.5 metres by 36.6 metres, a complete irrigation system with reverse osmosis plant, and 1,500 sq metres of windbreak fencing.

In the UK, G. Dew and Co. is carying out two contracts (together valued at £1.16m) for the North West Water Authority. The contracts rover replacement sewerage systems in Lancashire and Cheshire.

*

PYE TVT, the broadcast company of Philips, has received an order from Tele-Aruba worth about £86,000. This is for a 1 kW Band III transmitter and a set of comprehensive test equipment for the tropical island of Aruba in the Netherlands Antilles. It will replace an earlier Philips transmitter.

*

NORDBERG MACHINERY, London, part of the process machioery division of Rexnord Inc, Milwaukee, U.S., has secured a contract worth $356,000 (£232,000) for a complete aggregate production plant for installation in Algeria. The order was placed by the Indian Railway Construction Company, New Delhi. The "package" includes primary jaw crusher, rone crusher, screens, conveyors and centrally located control module. The plant will be capable of producing 150 toones of end-product per hour.

Nordberg also has a contract with Bhasin Associates (P), New Delhi, for the supply of an aggregate production plant for shipment to Iraq. The contract, worth $135,000 (£88,000) included secondary cone crushers and screens.

*

The Boots Company has placed a contract with OTTO HANSEL GmbH for a rontinuous high boiled sugar plant, a Sucroliner 1706, for the production of Strepsils, an antiseptic throat lozenge. The order value, over DM 2.25m (£605,000) is part of an iovestment scheme for Strepsils which The Boots Company is undertaking on the Beestoo site. The plant is scheduled for production in the autumo of 1983.

*

CHICAGO BRIDGE AND IRON COMPANY (CBI) has beeo awarded the contract to supply nearly 12,500 tons of fabricated steel deck sections in conjunction with the refurbishing bridgework oo the famed Golden Gate Bridge. CBI will fabricate steel deck sections to replace the weathered concrete road surface and its supportive members, which are badly deteriorated due to exposure to roastal climatic conditions. The refurbishing design will substantially reduce the bridge deck weight and will ultimately result in lower maintenance costs. Deliveries will begin io mid-June, with final shipments a year later.

*

ROCKWOOL rock-fibre insulation has been chosen to insulate a turbine and feed heating plant and in addition keep noise levels to 90 decibels. The fourth of six turbioes at the Central Electricity Generating Board's Drax power station at Selby, Yorkshire, is using wired matt, slab and pipe insulatioo at a total rost of £55,000. The material is heing supplied to Darlington Insulatioo Limited for the contractor, NEI Parsons and noise levels guarantees bave been made to the CEGB. If noise levels exreed 84 decibels extra layers of rock-fibre insulation will be supplied.

Networking

Centre-file harvests wine data

CENTRE-FILE, the NatWest computer services subsidiary, is to supply a communications network for the daily collection of dota from some 900 Victoria Wine shops.

Thorn-EMI Micrologic of Bedford is to supply POS terminals for 210 of the branches in phase two of the project. Phase one has been on trial since September 1981 when 48 Micrologic terminals were placed in 27 hranches.

When completed, in about three years' time, the network will probably be unique in Europe in terms of point of sale networks.

Information on all aspects of each shop's business is retained by the POS terminal as a by-product of normal till operations. A summary of individual product sales, stock levels, goods received and till activity is recorded on a daily basis and automatically sent to an IBM 3033 at Centre File's London Centre.

Once a week (or daily during the Christmas rush), Centre File will process the information to produce trading information: Every month information will be produced for each branch and area as well as national totals.

Machining

New CNC models from Danobat

DANOBAT of Spain, part of the Mondragon Workers Co-operative, which introduced its first cylindrical grinding machine more than seven years ago bas announced a range of three CNC new models, each offered in straight or angular configurations.

The three types offer length capacities of 600, 1,000 and 1,500mm with workpieces up to 500kg and a maximum grinding diameter of 350mm. Danobat (UK) is on 0925 824900.

Computing

Datapoint's personal computer

THIS WEEK Datapoint, the Texas-based small computer and telecommunications group, will launch its latest machine aimed at personal computing in large organisations.

Datapoint is hoping to sell large numbers of its new micro-computers into organisations which bave a wide variety of computing needs. Its model 1560 comes with a networking facility so that it can link into any ARCNET local area network.

ARCNET is the local area network introduced by Datapoint in 1977. It was one of the first companies to do so.

The company is aiming so sell between 20,000 to 30,000 systems in the first year. Primarily it will be selling to its existing customer base. Its equipment has been installed at 30,000 sites around the world.

Datapoint spent nearly 9 per cent of its revenues last year on research and development and has plans for a steady stream of new products. It hopes to become a major force in integrated office technology. However, its progress towards that end has been rather bumpy. Last year its profits took a sharp dip though sales continued to increase to some U.S.$508.5m.

Micromotors

PORTESCAP UK have launched an improved version of their Escap 712L and M915L rectangular d.c. micromotors. The company says that both models are now available for opertion at 2V d.c. which now makes them suitahle for operation with digital circuitry. Further information can be obtained on 0734 861485.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armro Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	[illegible] %
Banro de Bilbao	11 %	Kingsnorth Trust Ltd.	[illegible] %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½ %
BCCI	11 %	Lloyds Bank	[illegible] %
Bank of Ireland	11 %	Mallinhall Limited	[illegible] %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½ %	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½ %
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½ %	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½ %	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
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Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11½ %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½ %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½ %		
Grindlays Bank	‡11 %		
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† 7-day deposits on sums of: under £10,000 8%. £10,000 up to £50,000 8¾%. £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 8%.
§ Demand deposits 8%.
¶ Mortgage base rate.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Why companies go bust

BY TIM DICKSON

A RECORD 12,000 businesses in England and Wales went into liquidation last year—but according to insolvency experts called in to pick up the pieces a high proportion could have avoided that fate.

While the recession has bitten badly into the order book of companies big and small, a straw poll of leading "corporate undertakers" suggests that many insolvent businesses were found to be badly managed and that poor management systems were most often responsible for their demise.

Says Peter Souster, insolvency partner at Howard Tilly, a medium sized firm of accountants. "In my experience of liquidating companies management accounting systems are rarely either up to date or even in existence.

"*Too many* people rely simply on audited accounts which, by the time they are prepared, could be months if not years out of date. It doesn't really matter whether you're making a profit of £10,000 or £15,000 when things are going well but it is absolutely essential to know what is happening when the going gets rough."

Surprising as it may seem Souster lays much of the blame on his own profession, not on the entrepreneur. "The accountant should work alongside his client and help him develop a regular reporting system. I believe that accountants are becoming more aware of the problems but they are not being nearly forceful or aggressive enough. Admittedly some businessmen do not listen but the profession has got to market itself much better to those who will."

Experts stress that one of the most vital uses of management accounts is regularly to monitor cash flow—moneys coming into the company each month minus moneys going out. "The most immediate cause of companies going out of business is cash flow difficulties," says Malcolm London, insolvency partner of Cork Gully. "Cash flow is the lifeblood. Too often people concentrate on whether they are making a profit but if this profit is tied up in debtors or work in progress and there is not enough to pay the bills then that profit is not much use."

Discussing typical causes of insolvency, London cites businesses which do not respond sufficiently quickly to changes in the market place — a frequent malaise in the fashion trade — and those which have not kept up to date with new production techniques — a common failing in the engineering sector.

Inflation, he says, has also played its part. "It is amazing how many companies have not realised just how much is needed at a time of rising prices to replace capital. Quite often a staggering volume of turnover and debt has been built up by a business whose capital base has been reduced to next to nothing."

The tough trading conditions of the last two to three years, of course, have generally hit small companies much harder than big ones. Explains London, "In a recession, big companies start going for the smaller orders they would normally ignore and often cut their margins to the bone. They can afford to do this because of their larger capital resources. A smaller business has far less scope to compete."

Management succession is the root of many a problem identified by insolvency experts. "I was recently called in to investigate a company in the pressing and stamping business which had been built up and was still being run by two brothers in their 80s," recalls London. "The sons, who were in their late 40s, were being treated as mere boys. Not surprisingly it was being run in an extremely old fashioned way and was not going to get out of its difficulties until the style changed."

On the question of management accounts, Cork Gully stresses the need to monitor forecasts on a regular basis. Accounts should also be interpreted sensibly. "I know somebody who could tell me exactly how much every product cost but it didn't occur to him to question whether it could be done more cheaply," says London.

"Having said this it is rare to find a company in receivership or liquidation which has a good management accounting system."

Over at Arthur Andersen, Clive Sherling, an insolvency partner, confirms that management accounts are mostly to blame. "So many people say 'if only I'd known such and such a month earlier'."

Small companies, he says, too often rely on one big customer and come a cropper if that customer gets into trouble. "Businessmen," he adds, "are never brutal enough when collecting their own debts. They feel, of course, that they will jeopardise relationships with their customers but it is much more in their interest to chase up money which is, after all, legally theirs than to lose the entire value of a sale."

Although many mistakes can be avoided, Sherling lays part of the blame for some recent insolvencies squarely at the door of the Customs and Excise Department. "Following the 1981 Civil Servants' strike the Government authorities have been very lax in catching up on delinquent businesses which owe them VAT.

Many small companies have not put the money away and have turned a blind eye to what is often a major liability. We had one case recently where 18 months of VAT payments were outstanding. But if the authorities had been quicker off the mark the company would not have got *itself* into such difficulties."

Sherling pointed out that like the Inland Revenue and Customs and Excise, the Department of Health and Social Security is a preferential creditor in respect of unpaid National Insurance contributions. If these contributions remain unpaid, moreover, the directors can be held personally liable.

The liquidation experts stress that there are a number of reasons why companies get into trouble or fail. Based on conversations with many small businessmen, Dun and Bradstreet has compiled a book highlighting them. A summary appears on this page.

The path to the graveyard: pitfalls of management

1. Lack of experience. It generally pays to stick to what you know.
2. Lack of capital. Most new companies are undercapitalised.
3. Unplanned expansion. Growing too fast can bring cash problems.
4. Stock mismanagement. Trouble arises if stocks are too high or too low.
5. Credit problems. Don't forget to get the money in.
6. Wrong location. Don't pay too much . . . but then don't penny pinch.
7. Too much capital going into fixed assets.
8. Taking too much out of the business yourself.
9. Staff problems. Don't forget the human factor.
10. Red tape. Be prepared for frustrations with the VAT and tax man.

This list is based on the "The pitfalls of managing a small business — and how to avoid them," a book to be republished by Dun and Bradstreet later this year.

Other publications which may be relevant are Tolley's Expansion Kit for Business, written by accountants at Touche Ross. Published by Tolley Publishing Company, 209, High Street, Croydon. Price £4.95.

Financial Control for the Small Business, by F. Leslie Coventry, is published by Rose/Jordan, P.O. Box 260, 15, Pembroke Road, Bristol. Price £4.

The vital need for regular reports

"A GOOD 75 per cent of my clients are losing money on a month-by-month basis," says Mike Salinger, 34-year-old owner and managing director of Accounting Information Development Service (AIDS). "Most of them, you see, are seasonal businesses which live for the Christmas trade."

Salinger makes the point to stress the vital need for regular reporting. "It's particularly important for companies with an uneven pattern of trade to know what *is happening* so that they can trim wages and costs in line with turnover," he adds.

His convictions are hardly surprising perhaps for through his company Salinger has been supplying small companies for the last 11 years with monthly management accounts. Today his business has 350 clients nationwide, employs 35 people at its London office and is currently embarking on an ambitious franchising programme to develop the services more widely throughout the UK.

AIDS' service takes a host of straightforward book-keeping information, feeds it into a computer and returns it in a form which can be used by management, bank managers and other financial advisers and auditors. This may not in itself be new, but AIDS maintains that the advantages its service offers are a well tried and sophisticated software and a staff of accountants—not "computer specialists"—who carefully vet information from clients before it goes into the computer. "If you put garbage into a computer you end up with rubbish," comments Salinger.

Salinger's charges are related solely to each transaction. He says a typical client—companies using AIDS are generally family owned, turn over between £100,000 and £5m and have from ten to 100 employees—pays £250 to £350 a month for a set of accounts. The setting-up charge is usually around £200-£300.

Europe

Plan for rating member states in order of merit

A COMPARATIVE study of the small business climate in 10 EEC member states is about to be started by the Economist Intelligence Unit (EIU).

The research has been commissioned by the UK's Organising Committee of the European Year of Small and Medium - Sized Enterprises (SMEs) and the results will be presented at a conference in Scotland in September.

The idea is to rank the 10 countries in an order of merit based on the advantages and disadvantages SMEs are experiencing. A similar exercise has been performed by Inc Magazine for individual states in the U.S. where Texas emerged as the overall "winner", followed by California and Colorado.

The EIU has been given £50,000 by the European year committee to fund its research and a further £50,000 in time and services is expected to be contributed by Governments and European Community officials.

Graham Bannock, managing director of the EIU and author of the Shell-sponsored seven-country study of small firms, explains: "We will be looking separately at subjects such as the role of the state, the availability of capital and labour, the tax environment and general economic conditions.

"Small business is an emotional subject so I am hoping that as many of our conclusions as possible will be based on factual material. There will be interviews with bankers, economists, venture capitalists, civil servants and businessmen in the 10 community countries."

The plan is that the EIU's work will be completed by a panel of assessors, whose main task will be to assign "weights" to each category under consideration. The scoring system will be based on a scale of 100 points but if there are, say, five headings, each will not necessarily carry a maximum of 20. (The Inc study is based, for example, on five categories but two of them — capital resources and state support—considered in the U.S. to be the two most critical factors, are awarded a disproportionately high 25 points each.)

The assessors of the European study will be headed by Vernon Weaver, now an investment banker but formerly the head of the U.S. Small Business Administration under the Carter administration.

He will be assisted by Diarmid McLaughlin, a senior European Community official and a director of the Economic and Social Committee, and Bill Poeton, chairman of the British Union of Independent Companies (BUIC) and a UK member of the Economic and Social Committee.

"As a result of these investigations a comparative table will be drawn up illustrating the advantages and disadvantages experienced by SMEs in the member states," comments Poeton. "It will make clear to SMEs throughout the EEC where they stand in relation to each other."

Adds Bannock, "On the basis of previous work I have done I would be most surprised if the UK ranked higher than fifth."

More details are available from the European Year UK Office at 2 Queen Anne's Gate, London SW1. Tel: 01-589 1945.

T. D.

In brief . . .

A VENTURE CAPITAL conference, co-sponsored by the Financial Times, the Scottish Development Agency and Venture Economics, will be held at the Caledonian Hotel, Edinburgh on April 21 and 22. The conference will look in some detail at how venture capital techniques are being applied in Britain and Europe and will include special sessions on "Universities as a seed bed for Entrepreneurs and Enterprises" and "Local Venture Capital Initiatives." Details are available from the FT Conference Organisation, Minster House, Arthur Street, London EC4R 9AX. Tel: 01-621 1355.

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Corporate headquarters ($9.35m) - Shopping Centres, Arizona ($3m each) and many other real estate ventures

I WILL BE IN ENGLAND UNTIL MARCH 16th
Please address all enquiries to:
Fred Swindon, Industrial Development Officer
Palatine Chambers, Pinstone Street, Sheffield S1 2HN - Tel: 0742 755215
For representation in USA contact:
Alan Staniforth & Assoc. 2182 Dupont, Suite 212, Irvine, California 92715

BUSINESS OPPORTUNITY

to invest in a patent for a new method of building, with very *high insulation and easily constructed* by unskilled labour. Already very widely used in Switzerland. Company interested in manufacturing and marketing, either world-wide or in individual countries, a technically very advanced construction material of high quality offering substantial profits is requested to write to:

PANNEAUX DE CONSTRUCTION WA
20 ave. Ernest-Pictet, 1203 GENEVA, Switzerland

DISTRIBUTORS/AGENTS FOR ELECTRONIC & ELECTRICAL ENCLOSURES

We are a UK company manufacturing a wide range of 19" racks and special enclosures to high quality standards. For a number of years we have specialised in supplying custom sheetmetal enclosures and components to the UK telecommunications industry and the European operations of a number of major U.S. electronics corporations. We wish to establish mutually profitable relationships with distributors and agents throughout the UK who are already operating in this market and can achieve target sales quickly. Full marketing and technical back-up will be available. We would be prepared to seriously consider Joint Venture proposals from interested companies. Reply in writing to:

Managing Director, Computer Metalwork Co Ltd, Blaris Industrial Estate
Altona Road, Lisburn, Co Antrim, Northern Ireland

MANAGING DIRECTOR

New assignment sought by Group Chief Executive who has multi-national public company experience involving manufacturing, marketing and trading in both UK and export fields.
Offers first-class track record in General Management, Business Development, Acquisitions, Reorganisation, Disposals, etc. Age 51. Plenty of drive, enthusiasm and initiative.

Principals only please write in strictest confidence to
Box F3853, Financial Times, 10 Cannon Street, London EC4P 4BY

PRIVATE CAPITAL REQUIRED

For Sports/Leisure project to complete alterations to established freehold property in major city centre. Principals only, syndicates/consortiums considered. Amount required £485,000. Equity stake and collateral available.

Write Box F3852, Financial Times
10 Cannon Street, London EC4P 4BY

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SUPERB MAYFAIR LOCATION

Personalised telephone, telex and mail service, £28.50 per month or to include occasional use of private office £83.50 per month. Secretarial, commercial, word-processing facilities, etc. also available.

Similar service in New York

For details telephone
LLOYD ADAMS 01-499 0321
or write Box F3590, Financial Times
10 Cannon Street, EC4P 4BY

DISTRIBUTORS REQUIRED

FOR UNIQUE NEW ALCOHOL COMBATANT PRODUCT

To be launched in the UK and Europe from Spring 1983. The sole manufacturers are interested in appointing established European marketing organisations with proven track records in soft and alcoholic beverage markets. Exclusive rights for this *unique and revolutionary* product will be granted. Apply with fullest details of established market position and proposals for maximum sales coverage.

Write Box F3731, Financial Times
10 Cannon Street, EC4P 4BY

TAX SHELTER

For corporate and private investors 100% IBAs now available in prime southern locations with rental guarantees and several leasebacks to Local Authorities

TAYLOR CRISPIN & CO. LTD.
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100% I.B.A. INVESTMENT FOR SALE IN 2 MAJOR EAST ANGLIAN TOWNS

Units from 1,000 sq ft
Lettings Agreed
Plus Developer Guarantees
Prices from £25,000 ste per unit

Details:
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Commercial Department
Tel: Kings Lynn (0553) 64451

INDUSTRIAL PROPERTY

£550,000—100%
IBA available

Local Authority leaseback with rental reviews.
Further information from:
John Lenton
AITKEN HUME LEASING LIMITED
15 Christopher Street
London EC2A 2HA
Telephone. 01-377 1040

A 14-ROOM VILLA in the hills behind Benidorm is FOR SALE

Indicated price £150,000

Exquisitely located, well away from the tourist areas but with all the advantages of location. Eminently suitable for business, home or for business holidays for company's staff.

Contact I. M. Barry on 01-606 6321

RESIDENT MAN FRIDAY FRANKFURT AREA

Bilingual Englishman, resident 22 years in Frankfurt with own office (at his home) offers help to visiting British businessmen and companies. Dealing locally with law visits, hotel bookings, translating, mailing lists and the other countless time-consuming trivia which so often is a burden for the visitor unfamiliar with German, Germany or Frankfurt. Call (Tel. 06171 71525) at any time and ask for Peter Billson (home address Königsteiner Str. 50, D 6374 Steinbach).

WANTED

INVESTORS OR SHORT TERM FINANCE

A new company being set up in high technology requires equity or loan of £250k to £500k
Full details write Box F3656
Financial Times
10 Cannon Street, EC4P 4BY

WE ARE QUANTITY CASH BUYERS of NEW/USED SURPLUS TRUCKS, BUSES & COACHES

Contact: Mr Alan Sykes
PAUL SYKES ORGANISATION LTD
Wakefield Road, Barnsley
South Yorks S71 1LE
Tel: (0226) 89311 or 43535
Telex: 54393 SYKORG G

MORTGAGES

on income producing Properties at Competitive Rates

Write or telephone:
HIRSCH MORTGAGE (INT)
15 BERKELEY STREET, W1
Tel: 6295051 Telex: 28374

COAL

High quality African Steam Coal for Sale

Interested buyers please contact
Box F3660, Financial Times
10 Cannon Street, EC4P 4BY

INVESTMENT OFFER FOR INDIVIDUALS

wishing to invest from £5,000 to £20,000 for above average returns to assist in launching a unique exciting new British product.
Accountants fully documented financial report available
Write Box F3839, Financial Times
10 Cannon Street, EC4P 4BY

AUSTRALIA

UK firm of Executive and Technical Consultants opening branch in Australia has spare capacity. Offers services and representation. All propositions considered
Write Box F3846 Financial Times
10 Cannon Street, EC4P 4BY

TIRED OF TAXES?

Become resident or citizen of a quiet and democratic country *without taxes on foreign income.*

To qualify we request moral and financial references and a minimum capital of US$50,000 for real estate investments and legal fee.

Write to our solicitor:
ENCO CONSULTING SA - FT
40 Rue du Rhone, CH 1204, Geneva

CONCRETE BLOCK MANUFACTURERS for sale N. Yorks Lancaster area. Business as a going concern, freehold 3½-acre site, 11,000 sq. ft. buildings and plant. £250,000. Edward Rushton Son and Kenyon. 061-834 1814.

HELLIERS COUTURE LTD., Cork Street, W.1. Entire shareholding for sale including goodwill of Haute Couture business and substantial Women's Services Uniform Contracts and all stock, valuable Lease and experienced staff. Enquiries to Harry O. Swales & Co., 24 Manchester Square, W.1.

VENTURE CAPITAL REPORT, 2 The Mall, Bristol. The link between investment funds and small business. Investors and entrepreneurs ring (0272) 737222.

5 ACRES (approx.) DEVELOPED FREEHOLD BUILDING LAND FOR SALE in POOLE DORSET area

CLASS 3 PLANNING
Write Box F3863, Financial Times
10 Cannon Street EC4P 4BY

DEPARTMENT/VARIETY STORE OPPORTUNITY

SOUTH COAST CITY CENTRE

A rare opportunity to obtain representation within a new exciting shopping centre, the concept of which has not been seen elsewhere in this country. At this early date, the size and specification could be adapted to suit tenant requirements. The centre will include eating forum, approximately 35 shops and on site parking.

Write Box F3847, Financial Times
10 Cannon Street, London EC4P 4BY

PERSONAL LOAN FACILITIES REQUIRED!

Home improvement company seeks unsecured loans for owner occupiers. *Amounts £400 to* £1,500. Repayment periods up to 60 months. Good rates of interest obtainable. Volume business with continuity. Firms or individuals able to offer facilities with good service should write to:

Box F.3859, Financial Times
10 Cannon Street, London EC4P 4BY

PLASTIC MOULDING COMPANY

A company mainly engaged in precision plastic moulding, with a turnover of £1,000,000 per annum, is interested in finding a partner engaged in the same or allied field to concentrate manufacturing facility on one site with a view to reducing manufacturing costs.

Write Box F3854, Financial Times
10 Cannon Street, London EC4P 4BY

FINANCE FOR EXPORTS TO NIGERIA AND IRAN

against unconfirmed Letters of Credit

ELKA FINANCE LTD
188 Kings Cross Road, London, WC1X 9DG
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INVEST $50,000 EARN A MILLION

Our concept enables you to earn substantial income with an average yearly return of 152%. Ideal investment for you and your family with income continuing indefinitely.

Minimum investment US$20,000
Inquiries from brokers welcomed

For complete details write:
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24 Av. Mon Repos, 1005 Lausanne
Switzerland or Telex: 25185
Request material in English, French, German or Arabic

LIQUIDATED STOCKS

150 NEW EXECUTIVE PRESIDENT DESKS UP TO 50% OFF LIST PRICES
EXECUTIVE CHAIRS FROM £60.00
SECONDHAND EQUIPMENT I.B.M. GOLFBALL T/W'S
PHOTO COPIERS
PHONE ANDREW MACKIE OR GARY ROBINSON ON
01-549-9339

UNWANTED STOCKS PURCHASED FOR CASH! Immediate payment and decision, any quantity purchased, absolute discretion. Telephone (0620) 6804/73299. Tlx. 838666 PST G.

SUBSTANTIAL BRITISH GROUP wishes to acquire transport company or own account warehouses/vehicles. Existing operations exceeding 30 vehicles preferred. Reply to Box F.3819, Financial Times, 10, Cannon Street, London EC4P 4BY.

FOR SALE—Small Lancashire progressive Engineering Company. Private, general & Drawing Offices, Electrical, Stores, Machine & Assembly Shops 3,750 sq. ft. Excellent recently developed product range. Good reason for sale. Apply Box G.8776, Financial Times, 10, Cannon Street, London EC4P 4BY.

CHAIRMAN'S OFFICE SUITE: luxuriously furnished and immediately available in Mayfair prestige building. Private telex. Phone 01-493 0166.

YOUR CHANCE OF A LIFETIME

A leading British export trading house makes a unique offer to business executives who wish for the opportunity of proving their entrepreneurial skills. WE will provide all the back-up facilities such as computers, accounts, shipping and administrative back-up plus banking references and finance.
You will have the opportunity of selling any product with which you are currently dealing and earning a commission on profits that you make. You will be paid £250 per week but after you have made an annual trading profit of £25,000 you will receive 10% of profits made on the transactions you introduce; above £100,000 annual trading profit your commission will be 15% of that profit.
Are you interested? Then write giving brief details and we will arrange an interview with our Chairman at our London offices.

Write Box F3867, Financial Times
10 Cannon Street, London EC4P 4BY

BUSINESS ACQUISITION

We are a well-established privately owned Group of Companies wishing to add to our current range of activities. To this end we wish to discuss with companies in all fields of Environmental Protection the possibility of acquiring a company or companies manufacturing products or carrying out services which complement our activities.

Reply in confidence to Box F3845
Financial Times, 10 Cannon Street, London EC4P 4BY

SMALL FINANCE COMPANY FOR SALE LICENSED DEPOSIT TAKER

Write Box F.3864
Financial Times
10 Cannon Street
London EC4P 4BY

ENGINEERING SUPPLIERS

Manufacturer and Distributor specialising in gaskets, seals, packings and hoses. Approx. 3,000 live accounts, valuable distributorships and export business. Four locations in UK, three with storage, manufacturing and office facilities. Turnover £500,000

Write Box G8770, Financial Times
10 Cannon Street, EC4P 4BY

In-Store Photo Developing & Printing

—A ONE HOUR SAME DAY SERVICE

In 300 sq. ft. of floor space you can operate a Hope Perfect-Flow photographic processing lab, offering a one hour or same day service for your customers. Just consider the implications.
The cost? About £55,000 for the hardware. The returns? We've got some figures that will make your eyes pop!

Contact John Allen,
HOPE INDUSTRIES UK LTD.,
Northbridge Road, Berkhamsted, Herts.
HP4 1EH. Tel. (04427) 73792.

EST. LONDON SHIPBROKERS

Specialising in dry cargo broking product tankers, S & P, ship management, interesting in meeting financial institutions/trading houses/owners with a view to equity participation.

Write Box G3871 Financial Times
10 Cannon Street, EC4P 4BY

LIQUIDATED STOCK

2 Rank Xerox 3103 plain paper copiers A4-A3	£650
2 Rank Xerox 2300 A4 foolscap 94 desk top plain paper copiers	£675
2 Rank Xerox daisy wheel word processors unlimited storage	£425

REF: CS - TEL. (0892 86) 2024

ALL FORMS OF BUSINESS FINANCE

UNLIMITED FUNDS AVAILABLE
INVESTMENT CONSULTANT SERVICES
20 Cecil Court, London WC2N 4HE
Tel: 01-379 3303/01-379 6975

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75% Initial Allowances
Prime Covenants/Locations
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0742 760391

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The most successful 100% I.B.A. development in the area
£110,-£770,000
FREEHOLD
Rent guaranteed by bank for 2 years
GORDON HUDSON & CO.
WATFORD 39711

RONSON

The Receiver wishes to sell or licence the trade-marks for the Ronson shaver, hairdryer and electric toothbrush for substantially the whole world excluding North America and Australia. Related jigs, tools and plant and machinery also available. Please contact:

ARTHUR ANDERSEN & CO.

Mr. C. R. Sherling
Arthur Andersen & Co.
P.O. Box 55, 1 Surrey Street
London WC2R 2NT
Tel: 01-836 1200

EXPERIENCED COMPANY CHAIRMAN

AGE 45

Seeks major activity in U.K. public company or substantial division of U.S. company.
Deep general management experience including high technology programmes, defence, electronics, finance, etc.

Write: Box F3847, Financial Times
10 Cannon Street, London EC4P 4BY

CABLE & SATELLITE TELEVISION

The CABLE VENTURE GROUP is being formed to identify, screen and structure for a select number of non-competing Institutional and Corporate Members, syndicated investments in the communications technology industry including Cable TV franchises.
Details of Membership from:

CABLE VENTURE GROUP
Box F3803, Financial Times, 10 Cannon Street, London EC4P 4BY

PROPERTY DEVELOPMENT FINANCE

Developer requires secured loan capital of £250,000 for a 3-year period to fund prestigious Apartment/House building scheme in West of England spa town. Full details available to principals only.
Reply in writing only to RHYS EVANS, Solicitors,
101 Promenade, Cheltenham, Gloucestershire

DEVELOPMENT CAPITAL AVAILABLE

Major industrial group has funds available for equity investment in companies with real growth potential. High technology companies are of particular interest.

Write: Box F3851, Financial Times
10 Cannon Street, London EC4P 4BY

FREEHOLD BUSINESS INVESTMENT IN LONDON

70 Furnished and serviced Bedsitter units let mainly under recognised licence. Net income approx. £50,000 pa. Scope for immediate and regular increases

£425,000

Reply to:
Harold Everett, Wand & Co
187 London Road, Southend-on-Sea
Essex SS1 1PN Ref: ASD/2061

100% IBA TAX SCHEME CREWE, CHESHIRE

Construction completed and ready for purchase prior to 5th April 1983
Rent guarantees
Approx. £400,000

Write Box F3831
Financial Times
10 Cannon Street, EC4P 4BY

UNIQUE OPPORTUNITY to purchase an excellent 18-hole golf course in Barbados. Tel: 01-034 9320.

SALVAGED, LIQUIDATED and Redundant Stocks sought. Immediate inspection and settlement. 01-906 9521.

ENGINEERS

Interesting medium size London light engineering company (turnover £2m) — wide range skills/facilities — manufacturing well established own brand metal/plastic consumer/industrial products — seeks enterprising Engineer Director to exploit existing strengths and help identify new opportunities. *Participation possible*

Write with brief details in confidence to MD
Box F3865, Financial Times, 10 Cannon Street, London EC4P 4BY

DIRECTORS SELF ADMINISTERED PENSION SCHEME FORMED FOR £950

* *50% Loan Back Option*
* Six Years' Back Tax Relief Available
* Investment Freedom
* Low Pension, Trustee and Actuarial Charges

ABINGDON TRUSTEES
8 Lansdowne Road, London W11 3LW
01-229 8848 (24 hrs) Telex 893643

OPPORTUNITY

To obtain exclusive licence to exploit in Europe excluding UK a revolutionary patented gardening product acclaimed world wide. The device will be of particular interest to injection moulders and/or fertiliser distributors. Initial payments and royalties are required.

For further information contact:

Inventor
36 The Chase, Verwood
Dorset BH21 6DF
Telephone 0202 825631

At last the perfect peat replacement

A large international company has developed and proven a peat alternative.

This will shortly be produced on a regular long term basis and will be of particular interest to companies in mushroom and horticultural markets.

The company is looking for volume outlets and marketing input on how to use this lower cost peat alternative to maximum advantage.

For full details write: Box F.3862, Financial Times, 10, Cannon Street, London EC4P 4BY.

STATIONERY INDUSTRY

MERGER OR ACQUISITION

Manufacturing Stationers selling direct to commerce through national sales force from large manufacturing base is seeking to expand into the Trade/Retail market either by merger or acquisition of

STATIONERY WHOLESALER OR SUBSTANTIAL TRADE SUPPLIER

Please reply initially in complete confidence to Chairman
Box F3866, Financial Times
10 Cannon Street, EC4P 4BY

ENGINEERING COMPANY

Need to increase your turnover?

Small company with well established quality product (85% export) lacks the cash resources to continue to weather the remainder of the recession, seeks cash injection or outright sale. Ideal opportunity for company working below capacity.
All replies will be answered
Write Box F3870, Financial Times
10 Cannon Street, EC4P 4BY

WIPER BLADES

Large quantities UK made Wiper Blades at low prices for cash

Write Box F3869
Financial Times
10 Cannon Street, EC4P 4BY

JOINT VENTURE BEACH CLUB COMPLEX

Offers are invited for 50% participation in an unique development now under construction, in an unspoilt area of Majorca. Package offered in the region of £3m with outstanding investment potential.

Write Box F3868, Financial Times
10 Cannon Street, EC4P 4BY

OPPORTUNITY FOR LEASE

Ground floor including offices, telex and a showroom in high street West London. Potential business incorporated with it. Current turnover £300,000.

Write Box F3834, Financial Times
10 Cannon Street, EC4P 4BY

NORTH CYPRUS TAX HAVEN

Authentic translation of the law and recent amendments
For details of copies available contact:
Eastcheap Management Services Ltd
33 Eastcheap, London EC3M 1DT
Tel: 01-626 5546
Telex: 8813349 EMSLDN

Readers are recommended to take appropriate professional advice before entering into commitments

BUSINESSES FOR SALE

FOR SALE AS A GOING CONCERN MAJOR POTTERY PLANT IN IRELAND

Offers are invited for the business and assets of Cork Art Pottery Limited (In Liquidation) formerly known as Carrigaline Pottery. The company has a large manufacturing process employing over 200 people prior to liquidation.

- Premises in Carrigaline 5 miles from Cork city comprising approx. 10,000 sq. metres on a 5 acre site.
- 1982 turnover approximately IR£2.2 million.
- Suppliers to major overseas customers – U.K., U.S. and throughout Europe.
- Plant and equipment provide for manufacture of Earthenware and Stoneware bodies.
- Production capacity 200,000 pieces per week.
- Decorating facilities available for both onglaze and underglaze decorations – capacity 50,000 pieces per week.

Further information from
Bernard Uniacke, Cooper Magennis,
Member Firm of Touche Ross International,
4 Lapp's Quay, Cork, Ireland.
Telephone 021-504755, Telex 28474 COMG EI.

ASHE PARK ESTATE LIMITED

Assets of a mineral water bottling company in Hampshire. Assets include a full production lina bottling both still and sparkling wstsr, capacity 6,000 litres an hour. The company occupies a modern, purpose-built unit on a country estate.

Enquiries to the receiver:
MR N. R. LYLE
THORNTON BAKER
Fairfax House, Fulwood Plece
London WC1V 6DW
Telephone: 01-405 8422 - Telex: 28984

EAST SUFFOLK FRUIT FARM

AS GOING CONCERN

Profitable, 28 acre, modern Intensive Fruit Farm. Growing Queen Cox on M9 for supermarket trade. One acre of Asparagus.
Two attractive residences: one moated 16th Century, one modern. Two 52-ton Controlled Atmosphere Stores. Packhouse, implement shape with all implements and machinery.

Enquirics:
TALLIN, MOAT FARM,
KENTON, DEBENHAM,
SUFFOLK.

Process Dipping Equipment Ltd. and Interdip Ltd. -Receiver Appointed

Process Dipping Equipment Ltd is a major manufacturer of high quality Dipping Machines and Plant for the production of rubber and plastic gloves together with lacquer coatings for wood and metalware. Audited accounts for last five complete years available. Turnover £906,000 for year to 28 February 1982. 90% export business. Gross profit historically in the region of 30%. Interdip Ltd is an associated production Company. Both Companies based in leasehold premises at Strood, Gloucestershire.

Enquiries are invited for the assets of both Companies on going concern basis to include if desired, part completed existing contracts on which about £80,000 remains due. Alternatively, a separate sale of detailed production drawings or the well equipped machine shop and drawing office may be considered.

Full written details from The Receiver, N J Halls Esq, FCA. Tel: (0452) 36681.

Deloitte Haskins+Sells
Lennox House, Beaufort Buildings, Spa Road, Gloucester GL1 1XD.

Prominent N.E. Ceramic Tile & Bathroom Business - FOR SALE

Opportunity to acquire a very well established wholesale and/or retail Ceramic Tile & Bathroom group. Excellent business associations with leading European suppliers and appointed N.E. agents for well known international distribution firms.
Anticipated Turnover in 1983 of some £1.5 million with potential for rapid expansion in this under-served fertile area. Directors wish to dispose for personal reasons but would remain in office for suitable period to ensure ease of transition.

SALE TO INCLUDE: STOCK AT COST, ACTIVE DEBTORS, FIXTURES & FITTINGS, SIGNMENT OF LEASES AND GOODWILL

All applications for further information to be made to:-
Lewis-Hindmarsh Advertising
Saltmeadows Road, Gateshead, Tyne & Wear, NE8 3AH.
Telephone: 782317.

COACH BUSINESS FOR SALE

Large fleet composed of high class long distance, contract coaches and deckers. Mejor contacts with Local Authorities and Institutions. Also long established mix of excursions end tours both UK end continental.

Turnover approximetaly £1.3m for the calender yeer 1983.

Business Includes lerge freehold depot with workshops and coach MoT bey.

For further detalls contact: Box No. F3-24, Reynell & Son Ltd, Eldon Chembers, 30/32 Fleet St, London EC4Y 1AA.

PLASTIC BAG PRINTER AND MANUFACTURER

Business and Assets For Sale as a Going Concern

- ★ Besad in Wolverhampton, the Company specialises in 4-colour flaxographic printing menufacture and prints plastic carrier bags.
- ★ Premises comprise freehold property of 20,000 sq. ft. and leasehold property of 8,000 sq. ft.
- ★ Turnover is currently in excess of £1.8 million.
- ★ Customers include many of the well-established department stores.
- ★ The considerable expertiee of the workforce is evailable to e prospective purchaser.

Contact: J. Kenneth R. Jones, Receiver and Manager
ROBSON RHODES
Centre City Tower, 7 Hill Street, Birmingham B5 4UU.
Telephone: 021-643 5494 Telex: 339420 ROBSON G
ROBSON RHODES
Chartered Accountants

THE HENDERSON DIAMOND TOOL CO. LTD.,

Diamond Tool and Wheel Manufacturer

This specielist menulecturer of e wide range of single-point resettable diamond truing tools end resin end metal bonded diamond wheels is for sale es e going concern, heving en annual turnover of approximately £350,000 end a highly skilled workforce. The company trades from e long-leasehold property of 8,000 sq. ft. in Coventry.

Contact: J. Kenneth R. Jones, Receiver and Manager
ROBSON RHODES
Centre City Tower, 7 Hill Street, Birmingham B5 4UU
Tel: 021-643 5494 Telex: 339420 ROBSON G
ROBSON RHODES
Chartered Accountants

LIGHT ENGINEERING — ALTRINGHAM

Sub contracting light engineering Company. Fully equipped, modern single storey factory. Tax losses available.

FOR SALE

Alan J. Katz
Arthur Andersen & Co.
Bank House,
Charlotte Street,
Manchester
Tel: 061-228 2121

ARTHUR ANDERSEN &CO.

EDWARD SYMMONS & PARTNERS
569/573 Royal Exchange, Manchester M2 7FF.
061-832 8494

STOCKBROKER BELT

Large well-established Heir and Beauty Salon. Turnover currently exceeding £200,000 pa with considerable growth potential. Would be of interest to substantial group es investment, or leading West End salon wishing to move to or expand in the Home Counties.

Principals only please, write to Box G8777 Financial Times, 10 Cannon Street, London EC4P 4BY

TAYBRIDGE DYEING CO. LTD.

(in receivership)
Dundee
Plant and buildings freehold comprising working dye house

For particulars, contact A. S. Gray
Peat, Marwick, Mitchell & Co
136 Buchanan Street, Glasgow G1 2JG
Telephone: 041-204 1481

Wine Bar Company

NORTH-WEST BASED
3 Prime Locations
Turnover £½m+ - Superbly fitted
Further details:
Write Box G8782, Financial Times 10 Cannon Street, EC4P 4BY

INVESTMENT PROPERTY

Superb Restaurant For Sale
Freehold, Good turnover, extremely well appointed, excellent location, regular clientele
Offers over £175,000 invited
Write Box G8776, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE WELL ESTABLISHED TEXTILE FINISHING COMPANY

All major processes carried out together with ability to manufacture certain specialist products. Current turnover £1.4m with possibility for further growth.

For further details write: Box G8771, Financial Times 10 Cannon Street, EC4P 4BY

ENGINEERING COMPANY FOR SALE

ESTABLISHED 10 YEARS

Modern long leasehold workshops/offices 10,000 sq. ft. Turnover £450,000. Strong order book £200,000. Tax losses £23,000. Own products ellied to industrial heating/mechenical services fields. Well-known.

THORNTON BAKER & CO
Ref: RMH
31 Carlton Crescent
Southampton SO1 2EW

Italy

CARBON-FORGED STAINLESS ALLOY STEEL PRODUCTS
FOR SALE
Super competitive prices
Please write to:
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Telex: 340893 NTRFRG
Phone: (031) 65.63.77

SMITHS GORE

ISLE OF MAN
CRONKBANE FARM

Modernised Farmhouse with five holiday cottages and caretaker's accommodation. Additional development potential. Woodland stream and land extending to 5 acres. £100,000.

Joint Agents
Chrystals, Bowring Road, Ramsey, I.O.M. Tel: (0624) 812236
Smiths Gore, 82 Warwick Road, Carlisle CA1 1DS Tel: (0228) 27586

BUILDING & CIVIL ENGINEERING CONTRACTOR

SOUTH WALES
Established 15 years
Large fleet of heavy plant
On tender list of National Coal Board and most local authorities in South Wales
Orders in hand £1.2m
Senior management available to buyer if required
Write Box G8768, Financial Times 10 Cannon Street, EC4P 4BY

HAULAGE COMPANY

SOUTH WALES

30 unit mixed fleet — 8-wheel tippers and tractors, 25 flat, low-loaders and tipping trailers. Company end ongoing contracts for sale as e going concern.

1982 turnover £1.3m

Write Box G8767, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE

HEATING, PLUMBING & MECHANICAL SERVICE ENGINEERS

This well-established profitable and expanding company, trading mainly in the North of England, had a 1982 turnover of approx. £700,000, has a stable and highly skilled workforce under a competent management team.

The company has tremendous growth potential possessing a wide range of established contacts within the fuel and construction industries and enjoying a leading position in the domestic heating market.

This is an attractive opportunity for either a company within the construction industry to provide itself with a range of services while also diversifying into a highly profitable new field or for anyone interested in a sound and profitable investment.

Genuine enquiries only to: Box G.8763, Financial Times, 10, Cannon Street, London EC4P 4BY.

CONCRETE BLOCK manufacturers for sale N. Yorks/Lancaster area. Business as a going concern, freehold 3½ acre site, 11,000 sq. ft. buildings & plant. £250,000. Edward Rushton Son & Kenyon, 061-834 1814.

AN OLD ESTABLISHED Wine Importers & Wholesale Business for Sale. Audited accounts; substantial profits. £225,000 investment. Sale due to ill health of managing director. Central London based. Apply in first instance to: Gerald Edelman & Co., Accountants, 25, Harley Street, London W1N 2BR.

TOUR OPERATOR

Our client is e fully licenced Northern England operator and is interested in selling due to retirement. Apply in strict confidence to:
MICHAEL EAST & COMPANY,
20/24 Uxbridge Street,
London W8.
Tel: 01-229 7231

CAR DEALERSHIP

BOURNEMOUTH

For sale. Freehold of small family-run Garage business with foreign franchise and central location.

Principals only reply to Box G8773, Financial Times 10 Cannon Street, EC4P 4BY

HOME IMPROVEMENT GROUP

Unique marketing, nice premises, current turnover £¾ million, potential market leader, seeks capital, takeover or outright sale.
Principals only
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Tuesday March 8 1983

Germany votes for stability . . .

WEST GERMANY now looks capable of producing four years of stable government under a coalition of Christian and Free Democrats headed by Chancellor Kohl. Herr Kohl is a moderate conservative and will depend for his support on the liberal FDP, so there need be no talk about any extreme move to the right. Between them the two parties will have a comfortable majority in the Bundestag. That is plainly what the bulk of the electorate wanted.

There is nothing displeasing in the election result for West Germany's allies either. President Mitterrand of France is a Socialist, but clearly preferred the Christian Democrats' defence policy even though the result seems certain to force a re-alignment between the D-Mark and the French franc. Franco-German relations should continue unimpaired, as should Bonn's relations with London and Washington.

One major question in the formation of the Government still has to be cleared up: that concerns the position of Herr Franz Josef Strauss, the leader of the Christian Democrats' sister party of Bavaria. It is no secret that he would like to be Foreign Minister and he is entitled to press his claim by arguing that while his own party's share of the vote held up, that of the Free Democrats—who hold the post at present—went down.

Herr Strauss is a clever and experienced man who has recently made some impressive statements on east-west relations. It would not be a mistake to appoint him, even if the political odds seems to favour Herr Genscher.

Inquest

The chief breakthrough in the elections was made by the Greens who are entering the Bundestag for the first time. With such a strong tide of anti-nuclear opinion running in Germany, it is better that this should find expression through the political process. On balance, therefore, we prefer to see the Greens operating inside Parliament rather than outside. Quite the worst result would have been if they had been kept out by winning only a fraction less than the 5 per cent of the vote necessary to get in.

It seems likely, however, that the arrival of the Greens will have some effect on the Social Democrats, who in any case will be undertaking a major inquest on their own performance. The SPD's share of the vote fell to its lowest since 1961. Just as striking, the gap between the two main parties is now more than 10 percentage points, the biggest for more than 20 years.

The Social Democrats have had a remarkably good run ever since the Party broke with Marxism at the Bad Godesberg conference in the late 1950s. Under the leadership of Herr Helmut Schmidt they were said—even by Christian Democrats—to be providing the country's best CDU Chancellor. But the price may have been that they departed too far from their roots. A period of internal debate will be no bad thing, whether or not the success of the Greens tempts them to the left.

Deadlock

Herr Kohl's coalition, though led by a different personality, may turn out to be in policy terms not very different from Herr Schmidt's at its best. The dividing line was never all that marked. If the election is safely out of the way with a conclusive result, some of the issues are not: the deployment of cruise missiles and Pershing 2s, for example.

While Herr Kohl's victory is a relief to the Atlantic Alliance, the fact remains that the talks between the Americans and the Russians in Geneva are still deadlocked on all central questions. Moreover, the target for the initial deployment, if there is no agreement, is around the end of this year. It is vital that the German election outcome does not lead to complacency on the arms control issue.

We would not suggest that the West should change its negotiating position overnight; but with the prospect of a firm government in Bonn, the Alliance should be pursuing every possible opening. The meeting of Nato's Special Consultative Group next week should be the occasion fully to review the situation.

The election result ought also to convey a message to Moscow. West Germany has voted in favour of the Alliance and for a Government ready for at least some deployment. Appreciation of that may persuade the Russians to move, too.

. . . but Australia opts for change

MR BOB HAWKE, victor in the Australian election, moved swiftly by devaluing the Australian dollar. The spot rate had remained steady in yesterday's dealings, though the forward rate did anticipate a steep decline in the exchange rate.

In the stock exchange the Labor victory was taken calmly. Prices held their own. Devaluation improves the profitability of the mining industry since its costs arise in Australian dollars whereas the price for its output is fixed in U.S. currency.

But, as Mr Hawke would probably be the first to admit, there are sterner and more significant battles ahead for the Prime Minister-elect. An unemployment ratio of 11 per cent is an unaccustomed worry in a country which, a few years ago, appeared to be set on the path to ever increasing prosperity. Inflation at an annual rate of 11 per cent threatens Australian competitiveness in a world where others have had more success in curbing price increases.

Mr Hawke has called for an urgent report on the ballooning federal budget deficit. It remains to be seen how what he learns will affect his thinking. In the meantime, it is probable that Labor's expansionary fiscal policy will add to the inflationary impetus that has built up.

Relief

Political pressure for an immediate devaluation built up after Labor's victory was known in order to meet head on the prospective strains on the Australian dollar. But a devaluation offers no more than temporary relief since Australia relies on capital imports to balance its external accounts and to provide funds for the development of its own resources. Labor is playing with fire by proposing measures liable to deter foreign capital.

That applies to proposals for extending Australian ownership in industry as well as the resources rent tax which Labor wants to bring in. It would act like an excess profits tax and have little immediate effect because the mining industry is not at present particularly profitable. But lead times in mining are long: the prospect of such a tax once profitability is restored cannot but act as a disincentive.

Likewise the wish, widespread in the Labor Party, to restrict the mining and export of uranium looks different depending on whether you take a short- or long-term view. At present there is an international glut of uranium explained in part by the recession, which has caused forecasts of future energy needs to be revised downwards; and in part by opposition in many countries to the use of nuclear power. That state of affairs need not be permanent, and Australia would be wise not to slam any doors.

Centrepiece

In the past, Mr Hawke has opposed the anti-uranium lobby. He should now be in a strong position to squash the Left, but to do so he will have to summon his considerable powers of persuasion.

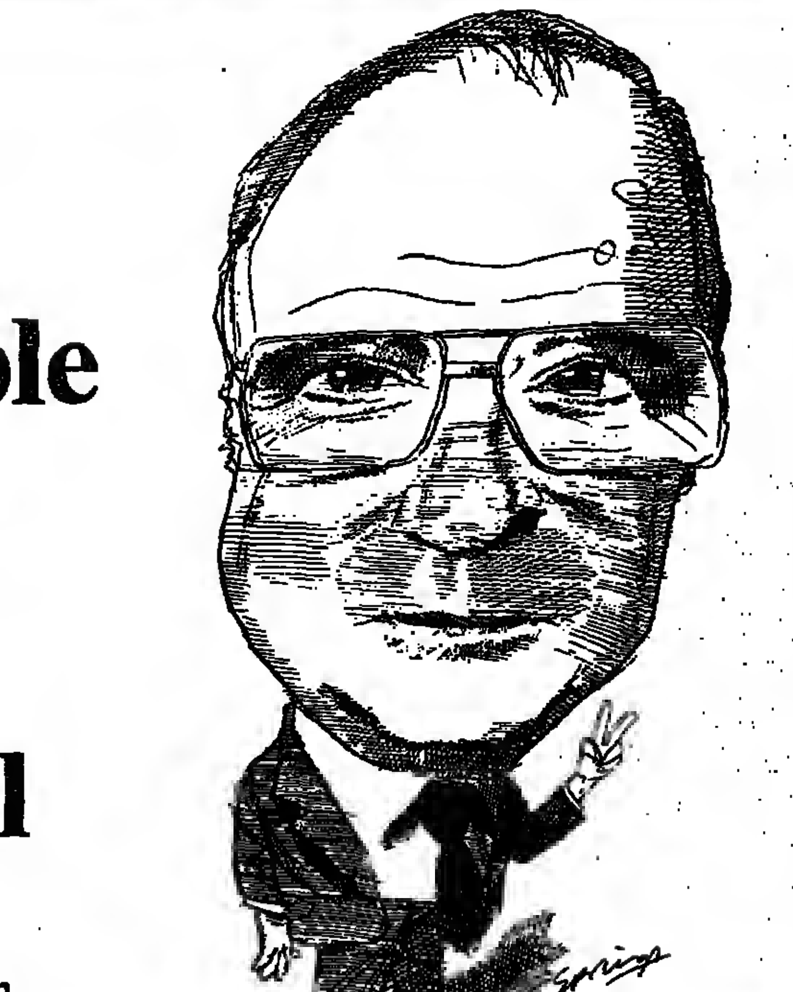
Those powers will be needed even more if Mr Hawke is to make a success of what, so far, has been made to appear as the centrepiece of his policy: a new social contract between the Government, business, and Australia's notoriously aggressive trade unions.

Similar tripartite bids for social consensus have been made in other countries with varying degrees of success. The lesson is that without the right economic policies, consensus is bound to remain ineffectual, not to say a sham. In the case of Australia, the acid test is going to be whether Mr Hawke can persuade the unions to moderate their wage demands. His record as a moderate and successful leader of the Australian Council of Trade Unions lends support to the hope that he will succeed.

A renewed wage explosion, a restrictive attitude to foreign capital, and a rising budget deficit would prove a dangerous mixture. Mr Hawke won the election largely on the strength of his personal appeal: he should now use that appeal to force Australia to face up to hard choices.

"Leftists, ecologists and pacifists will prevent too much complacency"

The gamble that paid off for Herr Kohl



By Jonathan Carr in Bonn

AN unlikely-looking hero has emerged from Sunday's general elections in West Germany. He wears a stocking cap with a bobble on the end, has a longish nose and looks perpetually outraged as bureaucrats try all kinds of tricks to plunder his wallet.

This is not the kind of character who, on the face of it, seems predestined to send German share prices soaring, boost the D-mark and excite a euphoric phone call to Bonn from President Ronald Reagan. Yet the "German man-in-the-street"—as portrayed in countless cartoons over the years—has just achieved all these things (though strictly speaking one should talk about the "person in the street" since more women than men voted in this election).

Alternately flattered and pressured by the superpowers, blasted by election campaign slogans and nearly buried under a snow of economic statistics, German voters have imperturbably produced an effective and well balanced parliament.

The new Bundestag (lower house of parliament) will have enough conservatives and centrists to keep Bonn on a pretty steady economic and foreign political course. But there will also be a strong minority of leftists, ecologists and—yes, even pacifists—to stop the Government becoming too complacent.

Not that Chancellor Helmut Kohl will have much time for complacency. Now that his centre-right coalition has been handsomely confirmed in office, a lot of people at home and abroad will be looking to him with high expectations.

Business and industry is confidently awaiting a new and better deal for the private sector—a confidence reflected in higher share prices and a stronger currency which seems bound to need revaluation in the European Monetary System (EMS) before long.

The U.S. Administration—freed of its fears that the West Germans might turn neutralist—may well pile on the pressure for a greater defence budget contribution from their most important European ally. As for Moscow, Herr Kohl was hardly pleased about the way the Russians interfered in the German election campaign in a way which might have benefited his opponents. But he knows that dialogue with the East remains essential—and that any broken fences will have to be mended.

Taking the smallest—and noisiest—group first, the Greens have good cause to feel pleased with themselves. They have at last managed to clear the "5 per cent hurdle"—the minimum voting support needed under German law to gain parliamentary seats—even though their 5.6 per cent was less than the optimists among them had expected.

True, some conservatives deplore the Greens' presence in the Bundestag (with 27 seats from a total of 498)—fearing that these irreverent interlopers imply a threat to the stability of the democratic system. But coming from almost nowhere (1.5 per cent support at the general election in 1980), the Greens have forced the established parties to think harder about policies from environmental protection to nuclear missiles. They ran an imaginative, often amusing, campaign and may well bring more life to the often-leaden Bundestag debates.

Also delighted with their performance were the liberal Free Democrats (FDP)—even though with 6.9 per cent of the vote and 34 Bundestag seats they only managed the second worst result in their history. But many people felt it was a remarkable achievement for the liberals to survive as a parliamentary force at all. In the last general election in October 1980 they won 10.6 per cent of the vote, not least on the strength of their promise of another four years of rule with the Social Democrats under the then Chancellor Helmut Schmidt.

Their decision to vote with the conservative opposition last October to topple Herr Schmidt and install Herr Helmut Kohl as Chancellor, brought the liberals intense internal strife and their countrywide support plummeted to around 3 per cent according to opinion polls. Little wonder that the FDP leader and Foreign Minister, Herr Hans Dietrich Genscher, seemed almost to glow with satisfaction on Sunday night.

Once again German voters had shown they did not want to lose an insurance policy against the excesses of the political left and right which the FDP represents.

All that said, you might have expected the most obviously buoyant character on Sunday night to be the victorious Chancellor Kohl. But as he pushed his way through the throng of supporters shouting "Helmut, Helmut," and later as he discussed the future in front of the television cameras, he looked more serious than he has done in public for many weeks. There are several probable reasons why.

For one thing, Sunday's result was a great personal as well as political vindication for Herr Kohl after what has been a pretty dismal decade for him in Bonn. The Chancellor's immediate reaction, therefore, was not so much euphoria as the repose of one who has at last "made it" after countless setbacks and disappointments.

A former Prime Minister of the state of Rhineland Palatinate, Herr Kohl has constantly been accused of having a provincial outlook, and of being only a "temporary solution" to the longstanding leadership problem of his Christian Democratic Union (CDU). Above all, people inside and outside the party compared Herr Kohl unfavourably with the CDU's founder and West Germany's first Chancellor, Dr Konrad Adenauer.

Even Herr Kohl's election as Chancellor last October 1 had a bitter taste about it. He became head of government, not through a national mandate but through a parliamentary vote of no confidence, with the FPD switching allies to oust the country's most popular politician, Chancellor Schmidt.

Not satisfied with that basis alone for his Chancellorship, Herr Kohl was determined to push through a premature general election. Quite apart from the political risk of this—above all that the FDP might have been extinguished as a parliamentary force and hence also as a government partner—there were constitutional hurdles to clear too.

In the event Herr Kohl's gamble has paid off. He has led the Union parties — the CDU and its Bavarian ally the Christian Social Union (CSU) —to their biggest victory since 1957, when they won 50.2 per cent of the vote under Dr Adenauer. Never before or since has any West German group touched the 50 per cent mark in a national election — and Herr Kohl must be highly relieved that the CDU-CSU "only" managed 48.8 per cent this time.

The reason is that the FDP has long said it would not form a coalition with any group which won an absolute majority —and Herr Kohl is very keen to see the Union's alliance with the liberals continue. Quite apart from the fact that he is a close friend of FDP-Leader Herr Genscher, Herr Kohl is a centrist in the Union who sees the presence of the liberals in government as a counterweight to his own right wing. That means, above all, as a balance to the CSU and its ebullient leader, Herr Franz Josef Strauss.

So far Herr Strauss—one of the country's most experienced politicians, with a silver tongue and a quick temper—has not had a cabinet job in the CDU-CSU-FDP government. Many of his supporters now feel the Bavarian leader will stake out a claim to become Vice-Chancellor and Foreign Minister, thus trying to push Herr Genscher out of both offices.

That is just one of the personnel problems — though probably the most pressing one —to face Herr Kohl in the coming days as he seeks to put his new cabinet together. And already familiar warning voices are being heard in Bonn repeating the alleged remark of Herr Strauss that "I don't care who is Chancellor under me."

That may also be part of the reason for Herr Kohl's serious air on Sunday night—although the Chancellor can content himself with the knowledge that he has bested Herr Strauss several times before in Union Party infighting. An industrialist who has been close to Herr Kohl for years even went so far as to say privately that the CDU leader had a "political killer instinct"—at odds with his mild appearance—which accounted for his emergence, and confirmation, as Chancellor.

Be that as it may, a more pressing cause of Herr Kohl's preoccupation must surely be the sheer extent of the policy problems facing him—at home and abroad. True, the Chancellor campaigned strongly on behalf of the Nato alliance and, in particular, of its nuclear missiles strategy where the stance of the SPD was in doubt.

Herr Kohl always made it clear that if the superpower talks in Geneva did not achieve full success, then West Germany under his leadership would start to deploy new U.S. missiles on its territory from the end of this year. Hence the deep desire in Washington, London and Paris for a Kohl election victory —and the great relief (exemplified by President Reagan's quick congratulatory phone call to the Chancellor) when that victory emerged.

Yet none of that means that Herr Kohl is enthusiastic about deploying the missiles, knowing full well that the issue will become ever-more charged both in parliament and outside as the end-of-year deadline approaches. The new Bonn government (whoever is Foreign Minister) is bound to stress to Washington that the West Germans have demonstrated their attachment to the Alliance, and that it is now up to the Americans to redouble their efforts to reach the best possible settlement in Geneva.

In the European Community too, Herr Kohl has underlined his attachment to greater political and economic unity over the last five months—but now difficult decisions are at hand. The Chancellor seems certain to stress, for example, that while Bonn is ready to go on being the biggest net financial contributor to Brussels, it will insist on a quid pro quo to protect its national steel industry from more highly subsidised competitors.

At home, a big part of the Union's campaign strategy was based on the slogan "Vote for the (economic) upswing." The CDU-CSU argued that only less state interference, less government borrowing and a firm boost to private enterprise would guarantee more economic growth and fewer jobless.

However, in its brief period of office since last October, the centre-right coalition has produced only a faint outline of steps to achieve these aims. Voters supported the Kohl-Genscher alliance, partly on the strength of the promises about better economic things to come and partly because inflation and interest rates were falling (a process which, however, began well before the centre-left coalition under Herr Schmidt collapsed).

Now the German public will be expecting action—and may be in for some disagreeable surprises if the Government resolves to reduce state borrowing drastically through sharper cuts in social security benefits.

Meanwhile, although unemployment will sink from its current level of 2.5m (or more than 10 per cent of the labour force) during the summer, it seems bound to be heading up towards the 3m mark again next winter.

This is a field where the Government alliance will be under fierce attack from the Social Democrats in parliament. During the election campaign the SPD Chancellor Candidate, Dr Hans-Jochen Vogel, accused the centre-right coalition of being a "do nothing" government relying on the self-healing power of market forces.

Clearly neither this argument, nor the SPD's own plans for state-induced "job creation," carried decisive weight with the electorate. Indeed, it was notable how many of the SPD's traditional supporters in heavy industry areas like the Ruhr deserted for the Union in this election. Many trade unionists were suspicious of Dr Vogel's campaign—flirting with the Greens, and this undermined their confidence in the SPD's remedies for unemployment too. That is precisely the danger about which Herr Schmidt warned as Chancellor, and it was certainly a factor causing the SPD to slump to only 38.2 per cent of the vote this time—the poorest result since 1961.

That might seem to indicate that the SPD's future is very gloomy indeed—and already there are those suggesting the Social Democrats will be out of office for very many years. But this sort of talk has often been heard before in West Germany. During the 1950s and 1960s the CDU-CSU was continuously in power and many people talked as though the Union had a "divine right to rule."

In the 13 years of SPD-FDP coalition from 1969 the talk was then of a "historic alliance"—implying that the Union had failed to read the signs of the times.

Now it is the Union's turn again—but it is also a chance for the SPD in opposition to consider where it went wrong and draw the necessary personnel and policy conclusions. The last six months have confirmed that the German public is perfectly open to political change—so long as it does not happen too often and is not drastic. It is a comforting message for The Federal Republic's neighbours and allies.

Men & Matters

Company vote on party cash

As James Pilditch says, new ideas are the basis of his business—the market research to micro-chip group Aidcom International, one of the stars of the Unlisted Securities Market.

And Aidcom, he thinks, may just have found an acceptable solution to the vexed question of company donations to political parties.

Each year, Aidcom tries to do its bit for "social responsibility" by helping some cause or other. In the run-up to a General Election this year, it decided to put £2,500 into politics. "After all, we want a virile democracy, don't we?" says Pilditch. But which political party should get the money? That was the question.

Aidcom's board decided that since everyone in the company had helped to make the money in the first place, all should have a say in its disposal.

The Electoral Reform Society conducted a secret, postal ballot of the 250 employees. They voted 46 per cent Conservative, 20 per cent SDP, 19 per cent Labour, with the rest evenly dividend between the Liberals and others.

Aidcom's £2,500 will now be divided and distributed among the parties in those proportions.

"We did a small, pilot study to find out if it was possible to consult shareholders in the same way," says Pilditch. "But there are obvious difficulties about what vote you give, say, to a pension fund that holds a lot of shares."

He feels confident Aidcom's shareholders will approve what has been done. "It seems to me fair, and it is open and above board."

The method might help to remove some of the inhibitions which many companies still feel about making political donations. Pilditch suggests, and put more money into the generally hard-up political parties.

It will be interesting to see how many of Aidcom's blue-chip list of 300 business clients take up the idea.

Peanut vendor

There is nothing like combining a little business with your pleasure.

For some days, the semi-official Cairo newspaper Al Ahram has been carrying an advertisement for the sale of "the presidential aircraft BAC One-Eleven 400, customised to meet the needs of President Jimmy Carter and his staff during his historic Middle East tour."

That is not, you understand, the "historic" presidential shuttle four years ago between Cairo and Tel Aviv that eventually resulted in the Egyptian-Israeli peace treaty. Carter could hardly have used a British-built plane for that.

This "historic" tour is a visit to Egypt, Israel, Jordan and Syria by the ex-President which has been billed as purely private.

The aircraft belongs to Chris Hammeler, the Hawaii businessman who designed the controversial Carter Library in Atlanta, and is accompanying Carter on the trip.

Asking price? $4.5m but Waites Aviation of Denver, exclusive agents for the deal, say they will consider any reasonable offer.

Treasury goals

At a confidential location in Roehampton at the weekend, 22 economists from the Bank of England and the Treasury assembled for a major pre-Budget trial of strength on the football field.

According to a Treasury minute yesterday, the actual score was Treasury 5, Bank 6. But, seasonally adjusted, the Treasury says this was really Treasury 7, Bank 5.

My sports correspondent reports: "The only penalty of the match was awarded to the Treasury by referee and chief economic adviser Terry Burns; but to demonstrate his impartiality, he later disallowed one of the Treasury goals.

"The match started briskly with the Chancellor's men exerting 'steady but not excessive downward pressure' on the Bank side.

"But George Street goalie, Peter Patterson who, off-field, forecasts public borrowing, was soon beaten by a swerving corner. Team manager Steve Ridlington, a collater of forecasts, claimed Patterson was so used to under-shooting or over-shooting that he was taken completely by surprise by anything on target.

"From then on, the Threadneedle strikers, Eric Hunter (National Debt) and Kerry Patterson (economics) kept the Treasury defence under such pressure that at half-time it looked as if new manager Peter Middleton, on the touchline, might call on the reserves.

"On the other side, the Bank's goalie John Flemming (author of "Inflation") had little trouble keeping the tally down to single figures."

After the match, Ridlington commented: "We achieved our planning total of five goals but conceded too much to the other side of the account. The one goal deficit, however, was well within the margin of error."

Night shift

You cannot get away from television these days—as 75 coal thieves in the Doncaster area have discovered to their cost in the past month.

While honest folk were sitting in front of their tellies, the National Coal Board disclosed yesterday. It has been touring pits with a TV "eye" that can see in the dark. It spotted the 75, none of whom worked for the NCB, putting in unofficial night shifts at various collieries.

The "night eye" consists of a Land Rover with a telescopic mast, topped by a TV camera with an intensifier which gives a daylight picture at night.

The vehicle is also equipped with a radio-telephone link to the police, TV monitor and video as well as walkie-talkie radios for security patrolmen.

...ally Norton, NCB area chief security officer, says the vehicle is already paying for itself in curbing thefts. "Coal thieves no longer just pick coal from waste tips for their own use," he explains. "They are organised into gangs, stealing from stocks and selling direct to the public. The thefts represent a substantial loss to the NCB.

Rings true

The Inland Revenue sent me my 1983-84 tax code yesterday and, wishing to query a point, I decided to ring HM Inspector of Taxes (London Provincial) in Salford.

"Which town?" asked the lady at Directory Inquiries. "Salford. You must want the taxman—nobody seems to want to speak to anyone else in Salford."

Quality control

A wealthy industrialist was listening to a speech about himself at a banquet in his honour.

"His business acumen is unequalled," the speaker said. "His ability to lead is outstanding, his gifts to charity have made him a legend in his own lifetime, his vast knowledge of the arts marks him as a man of fine taste and erudition. . . ."

The industrialist tugged the speaker's sleeve. "Don't forget my humility," he whispered.

Observer

Letters to the Editor

Energy prices to industry in the U.K. and on the Continent

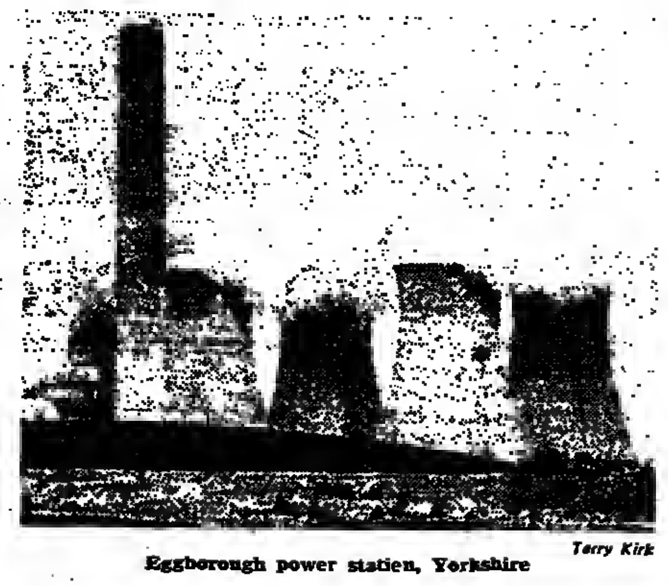
From the Director-General, Confederation of British Industry

Sir,—You quote Mr Nigel Lawson, Energy Secretary (March 1) as referring to a CBI report and saying energy prices in the UK "in general compare well with those in the rest of the Community."

This is true as far as it goes. But it omits reference to a highly important sector of Britain's economy employing many thousands of people and which is in danger of facing further redundancies and decline if its particular energy problems are not treated more realistically — the so-called "high load and high load factor electricity users." These include parts of the steel, chemicals, paper, glass, man-made fibres, refractories and aluminium industries. They still face a significant price disadvantage against their Continental competitors, even taking account of the recent fall in sterling.

The data in the CBI report referred to, relates to published tariff information. Even on this basis, allowing for current exchange rates, French industrial electricity prices are lower than in the UK irrespective of load characteristics. At high load factors, German, Belgian and Italian prices are also below UK levels.

Moreover, as the CBI stressed in a meeting with Mr Lawson and Mr Patrick Jenkin, Industry Secretary, on February 17, published tariffs are an incomplete picture where large users are concerned. Certain large and intensive energy users on the Continent are able to negotiate particularly advantageous terms.



Eggborough power station, Yorkshire — Terry Kirk

We agree with Mr Lawson that the problem should be considered "in the round." But this does not mean we should ignore specific problems where important sections of British industry are at a disadvantage. Present price differentials for these concerns represent a real threat to their viability and future investment plans.

(Sir) Terence Beckett.
Centre Point,
103, New Oxford Street, WC1.

From the Chairman, Tioxide Group.

Sir,—You report (March 4) that "Dutch industry's competitiveness is expected to receive a strong boost following a new agreement between Gasunie, the Netherlands' gas authority, and the Federation of Dutch Electricity Producers to lower electricity charges to major users." Such reductions are part of a general pattern of "market related" pricing on the Continent which is clearly designed to ensure that customers for large supplies of electricity remain competitive internationally, and continue to provide a desirable load for the supply industry.

The tariff price comparisons in the recent Confederation of British Industry report, which were agreed between the Chemical Industries Association and the Electricity Council, allowed for the trend of exchange parities between October last and the present, but took no account of these recent concessions not only in the Netherlands, but also in Belgium and France. The comparison showed that, even so, high load factor customers with loads of 1Mw or more were still significantly disadvantaged. The Netherlands reduction you have reported is worth 25 per cent to a 3 Mw consumer and 12 per cent to one over 20 Mw. French reductions announced recently will provide large customers with power at a price "As close as possible to cost price." Belgian reductions for 1983 are worth around 10 per cent for customers on lower voltages and 7-10 per cent for high voltage customers.

The principal industrial countries of the EEC, with the exception of the UK, are now all offering competitive electricity tariffs to those industries which are large customers of electricity and, in general, offer that electricity in a way that encourages them to operate at high load factors. The UK stands aloof and continues to disadvantage its electrically-intensive industries and discourage new investments in them. It would be sad if, as a result of this industrial policy, the electrically intensive industries of the UK were to continue to wither away at home and re-establish themselves in continental Europe.

John Pitts,
Tioxide Group,
10, Stratton Street, W1.

Child benefit and poor families

From the Director, Child Poverty Action Group

Sir,—The priority you give to child benefit in your pre-Budget advice (March 2) is most welcome but the suggestion that a more substantial increase would be possible if it were brought in to tax at the same time could be dangerous.

If child benefit were brought into tax, an increase of about £3 would be needed simply to retain its current value for a standard rate taxpayer (assuming the official inflation forecast for November 1983). This would hardly be progress as the very minimum required in the forthcoming Budget is the restoration of child benefit to its April 1979 value.

There are certainly arguments in principle for taking a significantly higher child benefit as a means of concentrating most help on poorer families. The problem is that so long as tax thresholds are low and the standard rate of tax is paid over such a wide band of incomes, many poor families would also be paying back part of their child benefit in tax. It could also drag even more families into the poverty trap.

It is also questionable whether it is feasible to tax child benefits so long as the joint taxation of husband and wife continues. If husbands had to pay extra tax on benefits received by their wives, this could lead to pressure from men either to keep down the real value of child benefit or to reintroduce child tax allowances, both of which would be regressive in effect.

The taxation of child benefit needs to be considered in the context of more fundamental reform of the tax system and a much higher level of benefit. To raise it as an isolated option for the forthcoming Budget could mean that you ended up hurting the very families that you were trying to help.

Ruth Lister.
1, Macklin Street, WC2

A fair crack of the whip

From Mr B. Essenhigh

Sir,—A re-reading of the report on private health insurance proposals for civil servants (February 15) leads me to think that your correspondent, Mr F. Stark (February 25) is mistaken in his references to tax reliefs on subscriptions. What is in question is not tax relief but discounts which apparently are proposed at rates of up to 40 per cent in the case of civil servants.

Perhaps it is not generally realised that there are many groups already in receipt of large discounts. I have in mind the Institute of Directors whose members can obtain a discount of 40 per cent on their subscriptions to one of the big three health schemes. Members of Parliament are another group in receipt of very advantageous rates as are various contractors' associations, trade unions, etc.

The private health insurance sector is not in business for fun and clearly if large discounts are offered in certain cases someone or other has got to pay for them. I would venture to suggest that the people who pick up the tab are the individual subscribers or those on low rates of discount (offered through such organisations as the RAC, Diners Club, etc.). The commercial principle of discounts on large orders is all very well but, in this instance as Mr Stark points out, it is those who can least afford the high individual subscriptions who are having to subsidise those in a much better position to pay them. Surely there is a strong case for scrapping discount arrangement altogether thus enabling every individual subscriber to enjoy a fair crack of the whip.

B. G. Essenhigh,
Knap Farm,
Ridge, Chilmark,
Salisbury, Wilts.

Academic research workers

From Dr A. Ovenston

Sir,—I fail to see how recent cuts made by the University Grants Committee can have much effect on current poor productivity, since there is generally a gap of up to about 10 years between the germ of an idea and its fruition in industry. The long-term effects of such cuts in reputable engineering and science departments will of course be disastrous.

Not only is there a need for a greater allocation of funds to the less expensive scientific fields such as materials science, but there is a great problem in attracting British students of suitable calibre to pursue worthwhile research projects in such lesser-publicised areas. The brightest most creative students are no longer attracted to the intellectual glamour of a low-paid short-term research post as was the case some 20 years ago. Shortage of job opportunities and much higher salaries attract such potential into "secure" industrial positions where their minds are largely used to stretch existing (and often redundant) technologies rather than concentrate on alternative and productive new processes.

A better support for the academic research worker would involve paying commercial salaries while engaged in research as is the case in a number of European countries. This should not be on a restricted time scale and should allow direct entry and transfer of skills and knowledge to a productive sector of the economy.

(Dr) A. Ovenston,
Department of Chemical Engineering,
Teesside Polytechnic,
Middlesbrough, Cleveland.

Mines as producer co-operatives

From Mr D. Dale

Sir,—If the Government wishes to go further with its programme of de-nationalisation, the next candidate should be the National Coal Board. This enterprise consists of individual mines which are very largely independent of one another and could be offered for sale separately or in small groups.

This would provide an excellent opportunity for a genuine experiment with producer co-operatives as a form of ownership, which has much to recommend it. The bigger and more productive pits would represent large financial units the purchase of which by the work force would call for special assistance in raising the money. The less attractive units could be offered as a gift, or even with a lump sum to help them off the ground.

Mr Scargill is so sure that all the pits should be kept in production, that he could use his undoubted talents in helping his erstwhile members to run them at a profit — a really constructive role which should provide him with incomparably increased job satisfaction.

If this plan were implemented, it would be necessary to ensure that a private monopoly was not created. Revitalised anti-monopoly legislation would therefore be necessary to prevent excessive re-amalgamations. This should cover all industries, not just coal and should include unions together with corporations, so that we should be rid of monopolies on both sides of industry "at a stroke."

D. H. Dale.
"Birch Crest,"
97, Hilderstone Road,
Meir Heath,
Stoke-on-Trent

An offshore island

From the Chairman, Isle of Wight Small Industries Committee, Council for Small Industries in Rural Areas

Sir,—No one considering long-term investment in this island should be deterred by John Griffiths' article of February 22.

The island has a strong and pervasive entrepreneurial ethos and an indigenous workforce of quality and stability—often trained in modern skills by our two largest employers—with backing from the Development Commission and sympathetic local authorities.

Despite the troubles of a general recession, and not least the handicap of severance by sea, for which we alone of Britain's major offshore islands receive no compensation, we have substantially held our own and in some important directions have gained industrial ground.

(Sir) John Nicholson.
6-7 Town Lane,
Newport, Isle of Wight.

The tender method

From Mr K. Tunstall

Sir,—May I add to Mr Burgoyne's observations (February 26) my view that tenders do not discriminate against the small investor in favour of the large financial institutions. A tender price, which is the maximum an investor is prepared to pay, is not determined by the weight of money available. Valid tenders are ranked in descending order to arrive at the allotment price. Thus a man tendering for 100 shares at, say, 155p will take precedence over the institution tendering for a million shares at 150p. The largest seller of securities (the Government) issues new gilts by tender and the continued use of this method surely proves its efficacy.

Keith Tunstall.
39 Grove Street,
Leamington Spa,
Warwickshire.

Pensions debate—policy on the private sector and mobility

From the Managing Director, Richards, Longstaff

Sir,—May I add to the pension scheme debate started by Eric Short's reports of February 21, 22 and 23, and question the general interpretation of Government thinking? Has it really said that employees should make their own pension arrangements? After all, Government policy on private sector pensions has only two main aims.

The first is to see that those in retirement have an adequate pension through some occupational scheme. The second is to cater for the mobility required by employment conditions for the last quarter of this century.

The Government (and the pension industry) knows too well that the final salary pension scheme produces an increasing number of losers and as Mr McLeish says (March 2) "only the stayer who serves most of his working life with his last employer can aspire to the popular expectation of a pension equal to two thirds of final pay." Statistics show that this is a small and decreasing group of employees. This accords with Government statements that the majority will change jobs four or more times in their career.

If the final salary pension scheme only meets the aims of Government policy for a minority, it can remain for them. But what can be done for the majority? This surely is what the debate is about. It is not about freedom of choice. Experience tells us that given the option of money in the hand or locked up in a pension scheme however good the tax advantages, too many of us from time to time will take and spend the money. Therefore, it would be surprising if such a volte face of a free for all is being contemplated.

What the Government must be searching for is a method to enable an employee to have a vested right in a pension fund and into which an agreed contribution is placed. When retirement is reached, these contributions must be sufficient to produce an adequate pension.

For employers who do not wish to give vested rights, the Government may accept the Occupational Pensions Board's recommendation and consider that it is fair to require trustees of pension funds to link deferred rights to an index. The Government may well select as the index the yield on its own 20-year securities.

There was an outcry when it was originally suggested that employers, if they made membership of the company final salary scheme a condition of employment, would also have to index the deferred rights by 5 per cent, as it was thought to be too expensive. Many schemes, however, have always anticipated that this will be required and some already give it. But 5 per cent is never likely to maintain the purchasing power of the deferred benefit. If employers are obliged to give a real return on these deferred benefits or give a vested right, a few will choose the latter. If it is possible to contract out of the state schemes by providing a vested right and an acceptable level of contribution many more will follow this course and the two main aims of the Government policy will be fulfilled. The complications which arise can be resolved by an efficient pension industry after it has been given the political directive.

John Greener,
Dominion House,
37-45 Tooley Street, SE1.

Land Rover's launch

A new model for the world

By Kenneth Gooding, Motor Industry Correspondent

THE LAND ROVER may not be the prettiest of British exports, but since its introduction 35 years ago it can hardly be beaten for consistency.

It was designed as a post-war stopgap until the Rover company could get back to producing cars, but it has turned out to be one of the most successful vehicles ever produced in Britain.

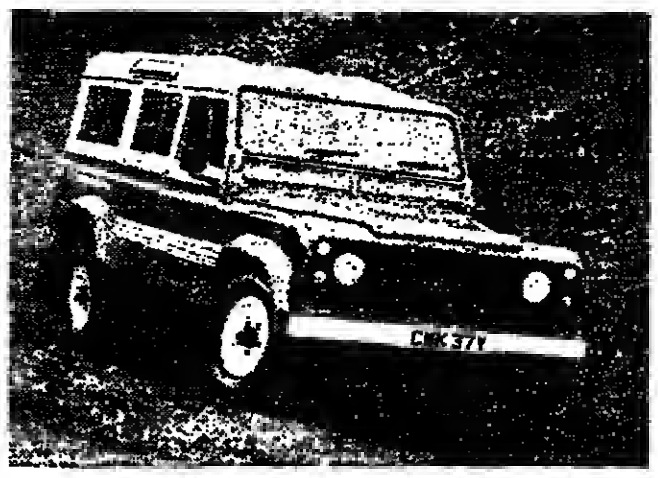
Land Rovers are to be found in the most unlikely places in nearly 150 countries, doing the most unlikely things. There is a Land Rover hovercraft which sprays crops, a Land Rover shunting engine and in Zambia there are even Land Rovers hard at work in the copper mines more than a mile below ground.

Sold sometimes at the rate of only 10 or 20 a year—more commonly a few hundred at a time—the Land Rover has won remarkable loyalty from armies and police forces, especially in the developing world. It is a classic example of a product with such a wide range of customers that even the collapse of a key market like Nigeria can be absorbed without too much difficulty.

The Solihull plant, which exports 80 per cent of production, has shed labour but has come through the recession without any short-time working. Even when sterling was at its peak, Land Rover was managing to win back some Far East customers, notably in Indonesia, from under the noses of its Japanese rivals.

From today the Land Rover has something new to offer. The new model, the first major change since the vehicle was introduced, adds the comfort and manoeuvrability of the Range-Rover to the Land Rover's well-known qualities of ruggedness and reliability. With a more competitive exchange rate, and with capacity available to meet orders promptly (instead of the two-year waiting lists for which Land Rover was once notorious), there is every chance of winning a bigger share of the world market.

Land Rover's strength is that its reliability is unquestioned. Not that Land Rover is complacent about the competition from Japan. The Japanese have mopped up most of the growth in the private market for four-wheel-drive "work-horses" of the Land Rover type with products which generally offer more driver and passenger comfort.



The Land Rover One Ten, launched today

And it remains to be seen whether Land Rover's £200m investment programme, involving a virtual doubling of capacity, is money well-spent or whether the latest changes to the British vehicle go far enough.

The Japanese advance has been swift. Four years ago the Japanese had only 25 per cent of light four-wheel-drive vehicle output worldwide. By 1981 their share had rocketed to nearly 50 per cent.

However, the growth in Japanese share of the business is also the result of the collapse of the four-wheel-drive market in the U.S. In their heyday, about 1m all-wheel-drive vehicles a year were being sold in the States.

By 1981, American light four-wheel-drive output was down to 371,000, giving the U.S. 35 per cent of worldwide production totalling 1.061m. Output at American Motors Corporation (AMC), whose Jeep started the whole business, had dropped from around 270,000 a year to 144,000 in 1981.

But the Americans are fighting back. AMC, smallest of the U.S. groups, has found a big brother in the shape of Renault, the State-owned French company which in the past three years has pumped $400m into AMC, taking a 46.6 per cent shareholding and a tight grip on the management.

While Renault has been developing cars suitable to replace the ageing AMC range, the American company has been able to use its expertise to produce a lighter and much less thirsty Jeep which is "new from end to end" and due to be launched this spring.

The two major U.S. groups, General Motors and Ford, have also this year introduced new lighter and more economic models thus making things a little more difficult for the Japanese in the U.S.

Closer to home, Land Rover faces increasing competition from one Japanese company in particular. Nissan has bought control of Motor Iberica in Spain and plans to manufacture its Patrol four-wheel-drive vehicles at the Zona Franca plant. The first vehicles came off the production line on January 27 and between 4,000 and 5,000 will be produced this year with output set to rise ultimately to an annual 15,000.

Nissan produced 41,000 Patrols in Japan in 1981, almost exactly the same as Land Rover that year. The British company seems quite phlegmatic about the Nissan project because it believes the Spanish-built vehicles will not be the equal of Patrols made in Japan. But it will not make life any easier for Land Rover Santana, Land Rover's 49 per cent-owned Spanish associate, which has been producing about 17,500 Land Rovers a year from kits sent from Britain. By agreements with BL, Santana is supplying export markets traditionally associated with Spain, such as North Africa.

Mr David Andrews, chairman and chief executive of Land Rover-Leyland, BL's commercial vehicle arm, is not dismayed by all the intense activity. Land Rover saw the writing on the wall some time ago and cut back its investment programme from the £310m announced in 1978 to £200m. The programme was also "stretched" and will now be completed next year, 12 months later than originally intended.

But perhaps the most important indication that Land Rover has the necessary resilience is that it has come through the past two very difficult years, if not exactly unscathed, at least profitable and with exports still at a high level.

Output slumped in 1981 from the peak 61,000 to 51,501 but recovered to 53,138 last year. Export earnings on vehicles alone were maintained at £220m last year and Land Rover has an annual income of about £100m from the export of spare parts.

Land Rover has meanwhile substantially maintained its position in the "workhorse" sector of the market, a sector which in 1981 saw around 308,000 vehicles sold.

Some of Land Rover's rivals have all also had their problems in the past two years. For example, Daimler-Benz of Germany seems to have made a rare miscalculation with its entry a couple of years ago into four-wheel-drive. Production of the Mercedes G Wagon fell to 5,500 in 1981 against 7,500 the previous year and a target output of 11,000.

Even the Japanese have been feeling the squeeze. Growth in Toyota's four-wheel-drive production slowed to only 1 per cent in the first 11 months of last year while Land Rover's was rising by 3 per cent.

Mr Richard Murray, Land Rover's marketing director, believes that the Japanese share of the four-wheel-drive market may now stabilise at about 50 per cent. But Land Rover has room to expand.

The Land Rover One Ten should attract more private customers than the old 109, which continues in production for those military fleets which still want it. For that reason the newcomer is being launched first into European markets.

And Land Rover has still to tap the potential in North America where, until now, it has not sold any of its products.

FINANCIAL TIMES

Tuesday March 8 1983

Montedison plans fibres swap deal with U.S. company

By Carla Rapoport in London

MONSANTO, the U.S. chemical group, and Montedisoo, the Italian chemical company, intend to swap substantial synthetic fibre interest in Europe in order to stem heavy losses.

Under the proposed deal, Montefibre, a subsidiary of Montedison, will acquire Monsanto's European acrylic fibre business.

This division includes an acrylic fibre plant in Coleraine, Nnrthern Ireland, where 170 out of a total of 470 jobs are expected to be lost as a result of the swap.

Monsanto will assume Montefibre's 50 per cent holding in Polyamide fntermediates, a joint venture in Teesside, north-east England, which produces the raw materials for making nylon.

The deal will result in a $f8m loss provisinn in Monsanto's 1982 accounts and reduce net income from $370m to $352m, on sales of $6.3bn. This compares with $445m net income in 1981.

Mnnsanto's European acrylic fibre business, with annual sales of around £90m ($135m), includes a plant in Lingen, West Germany, with more than 300 employees.

A significant change in this workforce is not expected, but there may be redundancies among the 200 people at the division's eight European marketing and sales offices.

Synthetic fibre producers in Europe bave been badly hit by over-capacity and sluggish demand in the past few years.

Monsanto said that despite cost-saving investments the Coleraine and West German plants continued to operate at a loss.

The acquisihon of Monsanto's acrylic business is expected to improve Montefibre's market position through ecooomies of scale, Increased marketing and technical support. The Italian group has production capacity in Spain and Italy. Polyamide Intermediates was set up in the early 1970s when European demand for nyloo raw materials was strong.

By the time production began in f979, demand had fallen off sharply, but Monsanto has been able to sell its proportion of the output in the U.S.

Monsanto, one of the world's largest producers of nylon fibres, said yesterday that full ownership of the company would allow "maximum flexibility to meet captive need for raw materials at our U.S. manufacturing plants, as well as supply customers in Europe."

AT & T revises forecast

By Richard Lambert in New York

AMERICAN TELEPHONE and Telegrapb expects its net income for the first quarter of 1983 to be lower than the restated figure of $2.01bn for the same period of last year. After allowing for accounting changes and various non-recurring charges, however, the group's earnings appear to be running at broadly the same rate as in both the first and final quarters of last year.

The current forecast comes in an registration statement filed by the company related to its plans to sell up to 17.6m new shares, an issue which would raise over $1.1bn at current prices. According to the statement, the lower quarter-to-quarter comparison will reflect an accounting change in 1982, which increased first quarter net income by $286.8m. Without that change, "expected net income for the first quarter of 1983 would be essentially unchanged from that for the first quarter of 1982," AT & T said.

The group changed its accounting treatment of certain deferred income taxes last year.

Barclays down 13% after higher debt provisions

BY ALAN FRIEDMAN, BANKING CORRESPONDENT, IN LONDON

BARCLAYS BANK, Britain's largest in terms of assets, yesterday announced more than doubled 1982 bad and doubtful debt provisions of £318.3m (against £140.1m) and a 12.7 per cent drop in pre-tax profits last year to £495m ($747m).

Around £200m of the bad debt provisinns related to the group's international business and the bank said this included sovereign risk (country) loans.

The Barclays 1982 pre-tax profit would have been £61.1m lower had it not been for the addition of profits on the "realisatinn of investments." This was mainly a result of profitable trading last year in government securities.

In the UK the domestic clearing bank made a profit of £313.4m, which is understood to include more than £40m of realised investments. Had it not been for this addition the UK bank's profit would have been little higher than the £267.1m figure for 1981.

Likewise, the Barclays Bank Internatinnal business in the UK, which registered a £24.4m profit (£28.7m in 1981) includes a substantial profit on trading in UK government securities.

In the U.S. losses continued to be suffered in the second half-year, and totalled £35.1m for the year as a whole, against profits of £37.3m in 1981.

Despite the lower earnings and sharply increased bad debt provisions, the Barclays share price in London closed 25p higher last night at 495p. Other bank shares were marked higher in sympathy.

One factor which belped ensure a favourable stock market reception was a 20 per cent increase in the total net dividend, to 22p. Mr Timothy Bevan, Barclays chairman, suggested yesterday that his bank had not felt constrained in its dividend policy by a speech last autumn given by Mr Peter Cooke, head of banking supervision at the Bank of England.

In the speech, Mr Cooke urged banks to "consider the appropriateness of the maximum possible retention of profit to reinforce the capital resources of the bank, if necessary at the expense of excessively liberal distribution policies."

Mr Bevan pointed out yesterday that had Barclays not increased its final dividend fnr 1982 the saving would have been only around £6m.

The chairman sounded a warning not about the future: "It would be unwise to say that the worst has passed in the need for provisions as there are still a number of companies which require careful nursing and some of these will inevitably slip over the edge."

Mr Bevan also said the level of cross border exposure particularly in Latin America and Eastern Europe, had been a cause for concern.

He appeared to throw his weight behind proposals to establish "some kind of re-discounting facility" in order to prevent liquidity problems in the world banking system. This reference was to schemes now being discussed to create a new supranational sovereign debt "lifeboat."

Lex, this page

British manufacturers' fuel and material costs fall in February

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

BRITISH industry paid less for fuel and materials in February than in the previous month, brightening the outlook for inflation in the UK.

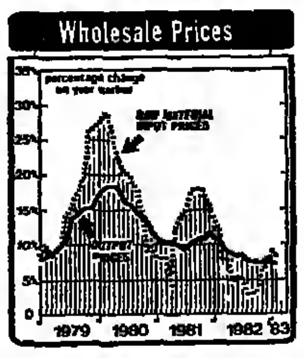
Official figures, published yesterday by the Department of Industry, also showed that the rate of increase of manufacturers' prices fell to 7.1 per cent in the year to February, the lowest for nearly 10 years.

The fall in input prices was estimated to be 0.7 per cent between January and February, almost entirely because of the proposed fall in the price of North Sea oil which Is backdated to February 1.

The figures are subject to revision, but support the Conservative Government's belief that the UK inflation rate will continue to fall from the year-on-year rate of 4.9 per cent recorded in January.

Some commentators were pessimistic that the 1f per cent fall in the

Wholesale Prices



value of sterling since November would add to the inflation rate, but the Treasury has maintained that the effect on prices is likely to be less than might have been expected from past experience.

Yesterday's figures showed that the cost of British manufacturing industry's materials and fuel rose by 8 per cent in the 12 months to February, compared with a rise of 9.3 per cent in the 12 months to January.

The annual rate nf increase in prices other than crude oil rose from 7 per cent in Janaury to 7.4 per cent in February.

The rate of increase of output (wholesale) prices for goods other than petroleum products fell from 6 per cent in January to 5.7 per cent in February.

● Separate figures, also issued yesterday by the Department of Trade, showed that the total of new credit advanced by finance bouses In January was £872m ($1.31bn), about the same as the advances in the last two months of 1982. However, total advances in the three months to January were 5 per cent higher than in the previous three months.

Drug recall may cost Johnson $20m

BY OUR NEW YORK CORRESPONDENT

JOHNSON & JOHNSON, the leading U.S. pharmaceutical group, expects that product returns and expenses resulting from the decision temporarily to withdraw worldwide distribution of its prescription drug, Zomax, will reduce after-tax earnings by about $20m this year.

This is the second beavy blow to the group's earnings arising from a large-scale product recall in the space of just over five months.

In October, Johnson & Johnson recalled its big-selling Tylenol capsules from the U.S. market, after seven residents in the Chicago area died after taking capsules that had had been laced with cyanide. At the time, Johnson & Johnson said the probable cost of the recall would be around $100m.

Zomax is a less important product, although it has still been an important revenue earner with worldwide sales in 1982 of $82m. The group said yesterday that as well as the direct cost of the recall, the loss of sales revenue on the product would have an additional adverse impact on this year's earnings.

Johnson & Johnson earned widespread praise for its prompt reaction to the Tylenol tragedy. The capsules were tampered with outside the group's manufacturing facilihes, and with the help of an aggressive marketing programme the group has already gone a long way towards re-establishing the product's leading market position.

The Zomax case is quite different, in that the product has been linked with serious and in some cases fatal side effects. The group's sales in 1982 amounted to $5.8bn, and its net income after tax came to $523.4m, before an extraordinary charge of $50m after tax stemming from the Tylenol withdrawal.

Jnhnson & Johnson's sbares had been performing strongly in recent weeks, but this second blow to earnings has sent them sharply lower in the past few days. Last night they closed $f¾ down at $46¼.

Carla Rapoport writes from London: Ortho-Cliag, a Johnson & Johnson subsidiary in the UK, said yesterday that it had agreed with the UK Department of Health and Social Services to withdraw Zomax from the British market. British sales are believed to be worth about £2m ($3m).

Sony freezes staffing on poor sales outlook

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

SONY CORPORATION has decided to freeze employment levels in its sales and administration divisions, which account for two thirds of the manpower at its Tokyo headquarters.

The freeze, to be accompanied by a review of spending in all indirect divisions at headquarters, is Sony's response to the increasingly gloomy outlook for sales of consumer electronics products in Japan.

Sony's Tokyo headquarters employs about 3,000 of the company's 14,000 workers in Japan. About 2,000 head office workers are employed nn jobs not directly related to production and development. Their numbers will be held et present levels for the foreseeable future, Sony said yesterday.

During the past three years, Sony has been increasing its "indirect" workforce nt an annual rate of between 5 and 8 per cent, mainly through increases in its international sales force.

Apart from freezing indirect employment Sony says it will suspend the mid-career recruitment in which it has engaged in past years to increase its staff of internationally experienced executives.

Now the company will revert to the traditional Japanese practice of hiring new staff nnly direct from school or unversity.

Argentina halts swap payments

ARGENTINA has suspended indefinitely the payment of swaps pending the issue of new regulahons on how these short-term private sector external loans are to be handled, the central bank announced last night.

The bank said these regulations would be issued soon, and sources said they would probably be circulated before the end of this month.

Two weeks ago the central bank said swaps formed about $1.4bn of Argentina's external debt.

However, the sources said nnly part of this total fell due for repayment in the March-April period.

Last night's measure is only a stop-gap until the fresh regulations for handling swaps are drawn up, Agencies

Brazil to repay BIS loan without delay

By Peter Montagnon in Basle

BRAZIL has agreed to drop the request for repayment of its $1.2bn loan from the Bank for International Settlements to be delayed after strong opposition from BIS member central banks.

The first $400m repayment nn the loan, negotiated last December, will now be made on March 15, and all other repayments will follow the prearranged schedule.

That emerged in Basle yesterday after the monthly meeting of central bank governors at the BIS. Brazil's request for a delay in repayment featured prominently in their discussions.

Senior Carlos Langoni, Brazil's central bank governor, revealed last month that he had asked for a delay of three months in repaying the first tranche of the BIS loan. In the event, a delay nf two weeks until March 15 was agreed to allow time for further discusion.

It is understood that Brazil also wanted to delay other repayments nn the loan, taking its final maturity through into the spring of 1984 from the end of this year.

But the BIS shareholder central banks were adamant that the repayment schedule should be respected as a matter of principle. The loan was granted as bridging finance ahead of drawings by Brazil on its $6bn loan programme from the IMF.

Brazil's failure to renegotiate the repayment schedule of its BIS loan underlines the strict rules that central banks are applying to such bridging operaHnns. "We have no intention of getting involved in a bridge to nowhere," said one central bank governor yesterday.

Senior central bankers said they had not asked Brazil whether it bad an alternative source of funds to the BIS, but they were working on the assumption that It now had sufficient money market lines from commercial banks to keep it going even after the March 15 repayment of $400m to the BIS.

Behind these comments is the clear principle that the BIS and its member central banks are not willing to substitute for commercial banks in lending to countries with balance-of-payments problems.

Aid for Yugoslavia, Page 3

Michelin demotes 3 restaurants

PARIS – The gastronomic axe has fallen on three of France's finest eating establishments.

The Michelin Guide – the supreme arbiter of what is good on the table – reduced the number of its three-star restaurants from 21 to 18.

The third star, symbol of "one of the best tables in France, worth a special trip," fell from Raymond Oliver's Le Grand Vefour and Claude Peyrot's Vivarois, both in Paris, and from François Bise's Auberge du Père Bise in the Alpine village of Talloires, near Geneva.

The bad news was compounded by the fact that there were no promotions to the exalted three-star ranking in the 1983 Michelin guide, which will be on sale officially on March 16.

Le Grand Vefour, established in 1785 and reputed to be where Maximilien Robespierre plotted the French Revolution, has had three stars for 30 years.

It is the first time since 1978 that Michelin has pared a star from the top echelon of restaurants. The last time was when the famed Maxim's came tumbling down from the summit after 25 years.

There are 87 two-star restaurants in the 1983 guide, "an excellent table, worth a detour," up from 83 last year, and 530 (518) with nne star, "a very good table in its category." AP

THE LEX COLUMN

The D-Mark leads the markets

West Germany looks to be in line to suffer the penalhes of success yet again after the markets' unanimous vote of confidence in the returning Christian Democrat alliance yesterday. While the Commerzbank index of leading stocks shot up by another 22.6 points to finish at 844.90 – a rise of 4 per cent on a week ago – the French Government was struggling to prevent the franc from breaking through its European Monetary System limits, and the Belgian financial franc had fallen to a 8 per cent discount under the pressure of foreign selling.

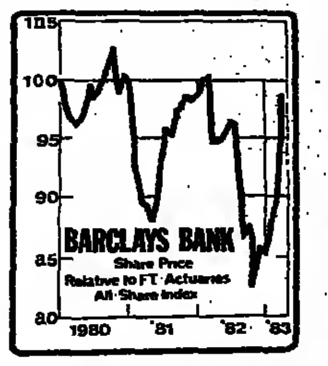
The French authorities gained full marks from the foreign exchange community for the abrupt change of tactics that saw the thrust of defence switch from direct intervenhon to a squeeze on the Eurofranc market. The French currency was back in line against the D-Mark last night at FFr 2.85. But these tactics are not made for endless repetition, and the main speculation now is centred on the timing and degree of the realignment – possibly up to 10 per cent.

Some of the West German market euphoria has been generated by foreign buying, which may slow down as the currency play evaporates. A D-Mark revaluatinn in the EMS has usually carried it up against sterling as well, and the steady improvement in the current account argues for a stronger rate against the dollar. Even so, with the economy only coming to the end of a de-stocking phase, the outlook for profits is not spectacular this year, and the expected f per cent cut in the Lombard and discount rates would be desirable for domestic reasons, quite apart from helping EMS partners.

Barclays Bank

Barclays Bank of the UK bas traditionally been one of the clearers most actively involved in the gilt-edged market. But last year's investment profits of £61.1m have been especially happily timed, helping to restrict the fall in the group's pre-tax profits from £566.6m to £495.2m.

The f982 bad loans provision at £318.3m is 2.3 times bigger than last year's and includes a UK provision of £96.1m against £45.7m in 198f. Well over £100m appears to have been set aside for loans in the U.S., where the group has made no profits and a branch office in Chicago looks as though it might have been a bit too near some famous farm equipment manufacturers for comfort.



Stripping out provisions and gilt-edged profits, pre-tax profits at the UK clearing bank show 14.7 per cent gain, however. This is slightly ahead of the equivalent figure for Lloyds and gives a clue to the strong performance of Barclays' shares yesterday.

Improved productivity has been one factor behind the UK gain, together with a 26 per cent increase in domestic advances to about £15½bn. Pre-tax profits nt Barclaycard have also risen from about £17-18m to £30m, and Barclays is clearly benefiting from its programma to boost commission income. These gains have more than countered the setback in profits at Mercantile Credit, carrying cost of a recently unprofitable £2bn mortgages book and a marked increase in the average cost of funds.

Retained earnings, a revaluation of properties and the proceeds of its f982 sterling loans have contributed in roughly equal measure to a £737m addition to the capital base. Barclays bas increased its dividend by 20 per cent, as promised, for the shares to yield 8.5 per cent at their 495p closing price.

Markets

There was no stopping equities yesterday, and the All-Share shouldered through the previous all-time high scored on February f1. Healthy institutional cash flow has underpinned the advanee, but the bull market continues to broaden; yesterday it was the turn of some of the depressed engineers to show their paces.

The 0.7 per cent drop in manufacturing industry's input prices between January and February was more than expected, given that sterling fell by about 2 per cent against the dollar in the same period. With some of the sting taken from the inflationary bogey of an oil price decline, gilt-edged also moved ahead – even against the trend In U.S. bonds. There were also signs of a return of that rare beast, the foreign buyer – which may have helped sterling to gain against the dollar.

The general weakness of the U.S. dollar also helped the Australian currency ride the weekend election results without any upsets yesterday. But the forward sterling rate of A$1.67 for Monday settlement, against last night's A$1.60, shows which way the market thinks the currency is going. Those Australian exporting companies that have recently begun to generate earnings again on the back of precious metal prices were being bought by the locals as a devaluation hedge. Even so, the favoured havens – MIM, CRA et al – are all riding at or near 12 month highs, and foreigners now have a hefty incentive to hold off until devaluation makes entry cheaper.

Allied Irish

The shares of the Irish clearers have shown no sign in recent months of the relative strength displayed by their UK counterparts. The levy on bank profits is, in Ireland's case, a permanent fixture, while the state of the economy offers little prospect of much pick-up in lending activity. With a strong run-up in its liquidity in the last couple of years, Allied Irish Banks, the biggest banking group in the Republic, has decided on acquisition as the means to expand. Yesterday it announced plans to buy a majority holding in the second largest bank in Maryland, First Maryland Bancorp.

Unlike the UK clearers, Allied Irish has picked a favourable point in the trade cycle to make its acquisihon. In a complex staged deal it is paying roughly book value for First Maryland, of about 8 times after-tax earnings. First Maryland, furthermore, has had a reasonable profits record over the last five years, with compound growth of 8 per cent a year. The new shares Allied Irish has agreed to acquire for in excess of $72m should stabilise the capital base; there will be some erosion for the Irish group's capital ratios when the U.S. bank becomes a subsidiary, but this is some years off and should be manageable. Meanwhile, Allied Irish should see no earnings dilution. With action in the sector dominated by Barclays yesterday, the shares were unchanged at 105p.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	13	55	Dubrovnik	S	14	57	Malaga	F	15	59	Salzburg	R	5	41
Akrotiri	S	13	55	Faro	F	14	57	Malta	S	16	61	Seoul	F	5	41
Algiers	S	16	61	Florence	C	13	55	Manila	R	31	88	Singapore	S	34	93
Amsterdam	C	8	46	Frankfurt	C	10	50	Miami	C	25	77	Stockholm	F	0	32
Athens	S	15	59	Funchal	S	19	66	Milan	S	14	57	Strasbourg	C	9	48
Bahrain	C	19	66	Geneva	S	8	46	Moscow	S	-3	27	Sydney	S	28	82
Bangkok	S	31	88	Gibraltar	F	15	59	Munich	C	6	43	Taipei	R	17	63
Barcelona	S	14	57	Guernsey	C	8	46	Nairobi	F	28	82	Tangier	F	16	61
Beirut	S	13	55	Helsinki	F	-2	28	Naples	F	14	57	Tehran	—	—	—
Belgrade	C	14	57	H. Kong	C	16	61	New Delhi	S	25	77	Tel Aviv	C	14	57
Berlin	C	9	48	Innsbruck	F	9	49	New York	R	10	50	Tenerife	F	21	70
Biarritz	S	13	55	Inverness	C	10	50	Nice	S	14	57	Tokyo	C	10	50
Blackpool	C	7	45	Istanbul	F	10	50	Oporto	S	18	64	Toronto	R	10	50
Bordeaux	S	12	54	Jersey	C	9	48	Oslo	S	5	41	Tunis	F	16	61
Brussels	C	9	48	Jo'burg	S	30	86	Paris	C	9	48	Valencia	S	15	59
Budapest	C	10	50	Las Palmas	F	19	66	Prague	C	7	45	Venice	C	6	43
B. Aires	S	29	84	Lima	S	29	84	Reykjavik	R	2	36	Vienna	F	10	50
Cairo	C	16	61	Lisbon	F	15	59	Rio de Ja'o	C	31	88	Warsaw	F	8	46
Cape Town	R	15	59	Locarno	S	12	54	Rome	S	13	55	Zurich	F	7	45
Caracas	C	30	86	London	F	12	54								
Casablanca	S	23	73	Los Angeles	C	22	72								
Copenhagen	S	6	43	Luxembourg	C	8	46								
Corfu	S	15	59	Madrid	S	14	57								
Dublin	C	10	50	Majorca	S	19	66								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Iranian obstacle in Opec unity bid

Continued from Page 1

Nigeria's readiness to raise its price – slashed on February f9 – to $30 per barrel. This is in line with the $30.50 recommended by the British National Oil Corporation (BNOC) for North Sea crude.

The shift in Nigeria's position emerged yesterday after Mr Mallam Yahayu Dikko, its oil minister, returned from a visit to Lagos at the weekend. President Shagari evidently has been under pressure from King Fahd of Saudi Arabia to compromise.

BNOC hopes that It can get North Sea industry acceptance for UK reference price of about $30.50 a barrel, assuming that Opec settles on a rate no lower than $29-$29.50 for its Arabian light marker curde.

But BNOC, the main North Sea oil trader, could still face a serious pricing challenge from some of its main refinery customers. Much will depend on the attitude of the Nigerians.

Some of BNOC's main customers have said that Nigerian oil should be 75 cents to a dollar more expensive than North sea crude. Nigerian crude is similar in character to UK oil but it is of a slightly better quality, Nigerian representatives said last week that they would be willing to undercut the North Sea price in order to boost sales.

There was speculation within the UK industry that the UK and Nigeria might fix a similar rate to avoid a follow-my-leader collapse of prices.

Analysts suggested that the rate might be about $30.50, which is in line with the price already recommended by BNOC. Most North Sea traders are buying and selling at $33.50 on the understanding that new lower rates will be back-dated to February 1.

Mr Nigel Lawson, UK Energy Secretary, has in the past week bad informal meetings with some Opec ministers as well as Mr Peter Walters, British Petroleum chairman.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday March 8 1983

Novo lifts dividend as income soars by 39%

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish pharmaceuticals and enzymes manufacturer, proposed an increase in the dividend from DKr 15 ($1.7) to DKr 17 per share and a scrip issue of new shares with a nominal value of between DKr 20m and DKr 45m. The exact figure will be determined later.

This follows another year of strong earnings from the company, which is the world's largest producer of industrial enzymes and the second largest producer of insulin.

Group earnings before extraordinary income increased by 39 per cent to DKr 475m from DKr 341m. Total net income was boosted by another DKr 37m to DKr 512m by extraordinary incomes resulting from the settlement of a patent infringement suit.

Earnings per share, before extraordinary income, increased from DKr 81.76 to DKr 104.69, according to the group's preliminary financial statement.

Sales increased by 22 per cent from DKr 2.23bn to DKr 2.71bn, of which exports accounted for 98 per cent. Sales of pharmaceuticals increased by 35 per cent because of increased volume sales of insulin. Novo began marketing human insulins in Europe last year. Enzyme sales increased by 10 per cent.

Investment in plant and equipment in 1983 totalled DKr 495m compared with DKr 303m in 1981, and is expected to reach DKr 600m in the current year. Current investments include increased production capacity for human insulin and enzymes.

Novo reports new research progress last year, emphasising that in both cases the breakthroughs are not related to insulin. "We are working in a broader field than is generally recognised," said Mr Kaare Dullum, Novo's finance director.

The company has succeeded, in co-operation with Danish universities, in cloning human gastrin, which is the major gastric acid secretory hormone, and it has used recombinant-DNA techniques for the production of an enzyme, so far unspecified.

The coming scrip issue will be offered at market price and managed by a U.S. banking consortium. The issue is expected to take place in the second half of April. Novo said it also plans to apply for registration in the U.S. of an additional 1.2m–1.5m American depository certificates.

Billerud boosts results fourfold

By David Brown in Stockholm

BILLERUD, the Swedish pulp, paper and packaging group, increased earnings more than fourfold from SKr 74m to SKr 326m ($44m) on sales of SKr 3.9bn. Profit per share grew from SKr 3.25 to SKr 28.

Mr Bertil Persson, finance director, said that while the company had forecast improved earnings for 1982, the final results were "a surprise." The improvement is due to SKr 250m in higher sales by the forest products sector, aided by the 16 per cent devaluation of the Swedish Krona last October.

Net financial costs were up SKr 10m to SKr 222m at the close of a substantial investment programme in Sweden and abroad, requiring large loans. Mr Persson spoke of a "period of consolidation," and said that requirements should be much lower in coming years. These should contribute to a drop in financial costs of about 30 per cent in 1983.

Extraordinary costs of SKr 22m brought the pre-tax profit figure to SKr 304m, compared with SKr 225m in 1981.

The board has recommended a bonus issue of one new share for every four old, and a stock split, yielding a total of 10 new shares to four old. The dividend on existing shares will rise from SKr 7 to SKr 8, and will be supplemented by a SKr 2 bonus for a total dividend of SKr 10 per share.

Celbi, the group's Portuguese subsidiary, remained at the same profit level as 1981.

Rabobank records 7% full year earnings fall

BY OUR AMSTERDAM CORRESPONDENT

RABOBANK, the leading Dutch co-operative bank, recorded a 7 per cent fall in earnings last year, from Fl 528m ($198.8m) in 1981 to Fl 489m. However, profits before tax and provisions rose by 3 per cent to Fl 1.33bn.

Rabo remains the most profitable Dutch bank. ABN, its nearest rival, came close in 1982 with gross profits of Fl 1.17bn and earnings up 5.1 per cent at Fl 359m. But Amsterdam-Rotterdam Bank, the recognised number three, slipped with net profits down 38 per cent at Fl 163m.

Rabo is in an expansionist mood; today it opens its new London branch. It sees itself as an international bank, albeit one with its roots firmly embedded in the soil of the Netherlands' agricultural co-operative movement.

Like all other Dutch banks it had to increase its debt provisions sharply last year – from Fl 473m in 1981 to Fl 580m. Yet the rise compares favourably with the 79 per cent experienced at Amro and the 31 per cent at ABN.

Company bankruptcies, still at record levels, have been the key factor in the Dutch banks' results in recent years. Rabo is perhaps fortunate, because of its farming base in being part-insulated from the effects of the recession.

Rabo's balance sheet total rose by 1 per cent last year, to Fl 110bn – a slower rate of growth than in previous years and one brought about by the reduced level of investment activity.

Agricultural lending, a major Rabo activity, fell by 15 per cent last year, to just below Fl 3bn. New lending to industry, trading and service sectors dropped by 24 per cent, to Fl 2.2bn. Loans to consumers, at Fl 5.33bn, were down 5 per cent.

The total volume of entrusted funds went up by 3 per cent, to Fl 83bn and savings under this heading increased 5 per cent, only half the rate of 1980 and 1981.

Rabo said it had recorded a 7 per cent growth in income from commissions despite the slow pace of economic activity. As a federation of co-operative banks, it has no shareholders and no dividends. Profits are distributed within the member banks.

● Wessanen, the Dutch-based foodstuffs group, increased its earnings last year by nearly 12 per cent, to Fl 28m ($10.5m), on sales 9 per cent up at Fl 3bn. The results are much as forecast.

Wessanen operates through more than 40 subsidiaries in the Netherlands and about 30 elsewhere in Europe and in the U.S.

The group manufacturers a wide range of foodstuffs, from vegetable oils, through confectionary to flour and compound animal feeds.

Sales and profits are especially sensitive to changes in the costs of processed raw materials. Most subsidiaries and affiliated companies performed well.

Eurobonds, Page 28

Abitibi Price profits decline

By Robert Gibbens in Montreal

THE RECESSION in North America affected Abitibi Price, the world's largest newsprint producer in 1982 but its performance remained better than that of most companies in the forest products industry.

Net operating profits were C$60.9m (U.S.$49.8m) against C$117.5m, equal to C$2.46 a share against C$5.27 on sales of C$1.63bn against C$1.76bn.

Fourth quarter earnings on the same basis were $10.8m compared with C$22.3m, and sales declined to C$415m against C$433m.

The company is controlled by the Reichman family, of Olympia and York Developments, the major Toronto-based real estate group. Abitibi has a varied mix of forest products from mills located in Eastern Canada and the Southern U.S.

Vereins- und Westbank shows gains

By John Davies in Frankfurt

VEREINS- UND WESTBANK, the northern German regional bank, has reported some further gains but is maintaining an unchanged 18 per cent dividend.

The bank profited from a recovery in lending for home building and buoyant bond trading, although the recession affected commercial lending and earnings from import-export business.

Interest earnings of the bank rose 11.8 per cent to DM 315.7m ($131m), while for the group, including subsidiaries, they were up 16.8 per cent to DM 359m.

Continuing a cautious policy of holstering reserves, the bank reported net profit up a marginal 0.4 per cent at DM 26.47m.

Vereins- und Westbank, in which the Bayerische Vereinsbank has a 27 per cent stake, has 263 branches in Hamburg, Schleswig-Holstein and Lower Saxony.

The bank's assets grew last year by 5.8 per cent to DM 9.88bn, while the group's assets were up 9.1 per cent at DM 12.26bn.

UBS increases holding in Baer

BY JOHN WICKS IN ZURICH

UNION BANK of Switzerland has acquired a 7.4 per cent stake in Baer Holding, the family-controlled parent company of Bank Julius Baer, after the sale of what is said by the bank to have been a "considerably larger shareholding" by two members of the Baer family who are not active within the bank.

In Zurich yesterday, Herr Hans Baer, chairman of the holding company, said the family would still hold 51 per cent of the capital and 71.9 per cent of the voting rights in the holding company after the transaction. Apart from Union Bank of Switzerland, there are no large shareholders outside the family.

At the same time, the holding company is to make a convertible issue with a nominal value of SwFr 30m ($14.6m), open for subscription between March 11 and March 18.

The 4 per cent bonds, of SwFr 6,000, SwFr 30,000 and SwFr 60,000 at face value, are convertible into Baer Holding bearer shares from July 1, and each SwFr 6,000 unit is convertible into a share of SwFr 500 nominal value.

Assuming all bonds are converted – and none of them by family members or by Union Bank of Switzerland – the family would subsequently hold 69.5 per cent of the voting rights and 47.1 per cent of the share capital, while the Union Bank stake in the holding company capital would sink to 6.9 per cent.

Net profits of the bank rose by 9.3 per cent last year to a record level of SwFr 16.5m. The largest single contribution to income was net commission of SwFr 41.3m, up 15 per cent over 1981. Earnings from precious metal and foreign exchange trading improved by 28 per cent to SwFr 29.9m

For the first time since the bank became a limited company in 1975, income from securities exceeded interest income, having risen by 71 per cent to SwFr 18.9m.

The board predicts payment for 1982 to the holding company of an unchanged 13 per cent dividend on increased capital of SwFr 67.5m.

Esmark acquires 6 per cent stake in Stokely-Van Camp

ESMARK, the Chicago-based food, chemicals and personal products company, has bought 188,000 shares, or about 6 per cent, of the common stock outstanding of Stokely-Van Camp, the Indianapolis food processing concern. AP-DJ reports from Chicago

Esmark said the move could lead to an acquisition bid.

In filing with the Securities and Exchange Commission (SEC), Esmark said it bought the shares at $53.50 to $55 each and that it "is considering the possibility of acquiring Stokely."

Esmark and Stokely representatives plan to meet today with those of Goldman Sachs & Co, Stokely's investment banker, to discuss what action may be taken.

"Esmark is considering a number of options but nothing definite has been decided at this point," Esmark said. The company declined to comment further on the stock purchase.

Stokely said it is bound by a "definitive merger agreement" with SVC Acquiring Corporation, an investment group led by Mr William B. Stokely III, Stokely chairman. Last month the group made a buyout offer to Stokely shareholders of $150m, or $55 a share.

Our Financial Staff adds: Albertson's, the Idaho-based supermarket and food-drug store operator, has continued its steady earnings and sales growth in the business year ended February 3.

Net profits in the final quarter rose 19 per cent from $15.7m or $1.02 a share to $18.6m or $1.15, while sales increased 18 per cent from $937.6m to $1.09bn.

This left net earnings for the year 20 per cent ahead at $58.3m or $3.81 a share against $48.4m or $3.14 in fiscal 1981. Sales for the year advanced from $3.48bn to $3.94bn.

Inflation adjustment for LIFO inventory valuation amounted to $12.2m before tax for the latest year against $12m in 1981. The slower rate of inflation at the year-end meant that the LIFO adjustment in the fourth quarter brought a pre-tax credit of $866,000 compared with $1.5m the previous year.

Albertson's has increased its sales and earnings substantially over the past decade, largely through internal expansion.

Amex Bank to change deposit taking status

By Alan Friedman in London

AMEX BANK, the wholly-owned subsidiary of American Express International Banking Corporation (AEIBC), is to surrender its UK deposit-taking authority, following a reorganisation in London and consultations with the Bank of England.

AEIBC will retain its licensed deposit-taking authority, however. The reorganisation plan includes transferring Amex Bank's syndication department and securities division to AEIBC. The export project and contractor finance business of Amex Bank will, meanwhile, be taken over by newly-formed subsidiaries of AEIBC.

Amex Bank's 1982 after-tax profits, after extraordinary items, were £2.5m ($3.8m)

Fagersta and Sandvik form new company

By Our Stockholm Correspondent

FAGERSTA AND SANDVIK, the Swedish special steel groups, have announced the formation of a joint company, Fagersta Sandvik Tube, to produce a full range of welded stainless steel tubing.

Officials of both companies said the intention was to rationalise production, marketing and distribution of these products.

The new company, to be based in Fagersta, in Sweden, will be 75 per cent owned by Fagersta and 25 per cent by Sandvik.

The bulk of production will be at the Fagersta tube mill, one of the largest in Europe with an annual capacity of 15,000 tonnes.

The Sandvik tube mill in Lampertheim, West Germany, with a capacity of about 5,000 tonnes, will be run as a wholly-owned subsidiary. Both plants are said to be operating at about 80 per cent capacity.

Mr Don Johansson of Fagersta Sandvik pointed out that the two production facilities have largely complementary production. About 80 per cent of Fagersta output in its 6–206 mm range is for sale abroad.

Officials say the largest single market by far is Western Europe, which is characterised by the variety of smaller producers, and where Fagersta estimates its market share at 10 per cent.

Lampertheim's main market for its 100-900 mm tube is said to be West Germany. Together, officials predict a total turnover of SKr 275m ($36m) for 1983.

Currently, both operations are believed to be no more than breaking even. Mr Johansson said that, while he did not expect any immediate improvement, the Fagersta Sandvik move represents an opportunity to strengthen the current position.

Sales advance for Schering

By Leslie Colitt in Berlin

THE SCHERING pharmaceutical and chemical group, based in West Berlin, said sales last year rose 4.7 per cent to DM 3.5bn ($1.4bn). Earnings were not disclosed, but were said to have been at the 1981 level of DM 100m. An unchanged dividend of 21 per cent will be paid and the company's contingency reserves will be increased.

Schering exports rose 6.5 per cent to DM 2.7bn and reached 78.4 per cent of total sales. The parent company, Schering AG, had sales of DM 1.8bn, up 5.2 per cent. Exports rose 8.9 per cent, while sales in West Germany were down 1.7 per cent to DM 587m.

Schering's pharmaceutical sales increased by 5 per cent and agrochemicals were up 8.2 per cent. Fine chemical sales rose 6.3 per cent, while industrial chemicals increased by 3.1 per cent and electroplating by 2.1 per cent.

The group's earnings in most countries were described as good, with the exception of Latin America

SCHLUMBERGER LIMITED

The following is the Statement of the Chairman and Chief Executive Officer, MR. J. RIBOUD, which has been circulated to Shareholders with the Annual Report for 1982.

Net income for the year 1982 was $1.35 billion, up 6% over the previous year. Revenue of $6.28 billion was 5% higher. Altogether, a reasonable performance in the economic environment of what is certainly the worst recession since the war. The trend is more disturbing than the actual results. The growth of the first quarter (net income increased 31%) was due mainly to the strong oilfield activity outside North America. Then, quarter by quarter, a definite softness moved in. For the fourth quarter, net income was 13% below the last quarter of 1981 and revenue was 7% lower.

Revenue from oilfield services worldwide was up 7%, a considerable slowdown compared to the rate of growth experienced since 1974. The decline, particularly in the United States, was more brutal and deeper than had been expected. The drop of North American drilling was spectacular. From a high of 4,700 active drilling rigs in January, the count declined steadily to a low of 2,550 in October, climbing back to 3,130 at the end of December. The recovery was quickly curtailed by the seasonal slowdown. The last count on February 14 was down to 2,450 rigs. Revenue from oilfield services outside North America was up 18%. However, soft spots showed up in South America in the second quarter, followed by Africa and Europe in the third and fourth quarters. Overcapacity in oilfield services operations has brought and will continue to bring pressure on prices during 1983. Daily rates for drilling rigs on land and offshore are down markedly compared to a year ago.

The recession in the United States has also affected the results of all units outside the oil industry: Semiconductors, Measurement & Control, Computer Aided Systems. The worst hit was Fairchild: revenue declined 6% for the year, as the slight recovery in orders in the first quarter did not last; losses in 1982 were substantially greater than in the prior year.

Although less severe than in the United States, the recession did not spare Europe. The situation was further impaired by the wide fluctuation of currencies, basically a unilateral appreciation of the dollar vis-à-vis the European currencies and the yen. Expressed in national currencies, revenue of Measurement & Control operations in Europe improved 13% but declined 4% when translated into dollars.

How did we react to this situation?

- We undertook a major cost reduction program to cut waste (the unavoidable left-over of a period of boom and inflation), to control inventories and receivables, to reduce manpower.
- We maintained our R&D effort, unabated. R&D expenditures increased 36% to $326 million. At Fairchild, R&D reached $105 million, up 41%. This program weighed heavily on Fairchild results, but is preparing the future with new products.
- We invested in fixed assets at the same level as the previous year, in excess of one billion dollars. At Fairchild alone, fixed asset additions were $188 million to improve manufacturing efficiency and product quality.
- We invested in the future by new acquisitions in the Computer Aided Systems field. Early in January, Applicon became a part of Schlumberger. In October, Schlumberger acquired Benson, a manufacturer of computer-aided drafting systems. The same month, Fairchild acquired Accutest, a small test equipment manufacturer. The Federal Trade Commission announced on February 1 an Administrative Complaint seeking divestiture. This means that, unless the matter can be settled promptly with the FTC, Schlumberger cannot integrate Accutest with its own operations and Accutest is not viable as a separate entity.

The long term future of Schlumberger is not too difficult to visualize. We are in the right businesses. There is no limit to one's imagination for the future of high technology, whether it is to solve the problems of oil exploration, to modernize electricity distribution systems, to provide the computer and telecommunications industry with faster, smaller, cheaper components and circuits, to revolutionize the innumerable ways to design or to manufacture. We have the resources to meet these challenges.

What is more difficult to analyze is the immediate future, the years 1983 and 1984. Will the price of crude oil tumble on the world market? Will OPEC disintegrate? Will the coming spring see an economic recovery in the United States? Will this recovery be sustained long enough so that it becomes the locomotive of a worldwide recovery? Predictions are difficult and dangerous. The only thing I am sure of is that these two parameters—oil price and economic recovery—are closely related. The main factor responsible for the present oil surplus is the stagnation of the world economy. A limited and orderly reduction in the price of oil to the $25 to $30 level will have a minimal effect, if any, on the exploration and production programs of the oil operators, whether national companies or private companies. It will increase the demand for hydrocarbons. If such a reduction in the price were to be concomitant with a stabilization of the dollar at a reasonable level, these two combined factors could be a major contribution to the economic recovery, first in the United States followed gradually by the rest of the world. I believe that all countries will be reasonable enough to prevent the pessimistic scenario of a lengthy price war in the wake of the collapse of OPEC.

Will reason suffice to ensure a long-lasting recovery of the world economy? I do not think so. The industrial nations will need plenty of reason and wisdom but also bold imagination. As long as the three main economic issues of the world are not faced in earnest and dealt with, the world economy at best will remain stagnant. The first problem is to recreate an international monetary system adapted to the present conditions of the world. The second urgency is for the industrial nations to take concerted and coordinated action to get industry moving forward on a consistent and durable pattern of growth. No country can do it alone. Finally, the industrial nations must devise and implement a plan—a sort of an international and modern version of the Marshall Plan—to prevent the financial collapse of the developing nations.

It is not easy to translate these hopes into the reality of Schlumberger's immediate future. The most likely Schlumberger environment for the next two years will be along the following directions:

- Drilling will stabilize in the United States at today's levels. The likelihood of a major decline or of a major surge is not in the cards. Offshore exploration will continue to grow, offsetting the decline on land, particularly for gas. As we maintain our R&D effort, as we keep on *working* on *new tools* and *looking for* new answers in the Wireline, in the completion and production technologies, in the Measurements-While-Drilling, we will improve the quality of our services and will grow faster than the drilling activity.
- Outside North America, the slowdown in oilfield operations will continue in South America and Africa; the Middle East activity is likely to be stable and some progress should materialize in the Far East, particularly in India and China.
- Fairchild will be on its way to recovery in 1983. Losses will be cut, revenues should start to increase by the middle of the year. New products, lower costs, better quality, will start to show results this year.
- The Computer Aided Systems (CAS) group will be put in place this year. It will not contribute to Schlumberger earnings in a significant way in 1983, but it will be on the map and will become an important factor in this new technology and this new business.
- The Measurement & Control group has fewer problems than Fairchild and the CAS groups. If its ultimate potential for growth is more limited, it can better resist an economic slowdown. *During* 1983, *its* revenue and net income will improve over the previous year.

The overall conclusion of this brief analysis is for a slow start of the year, with the first two quarters results likely to be lower than last year, continuing the trend of the second half of 1982. An improvement is likely in the second half, particularly if an economic recovery in the United States materializes. Altogether, there are reasonable prospects that the year 1983 will not be very different from 1982.

FIVE YEAR SUMMARY

	1982	1981	1980*	1979**	1978
	YEAR ENDED DECEMBER 31 (Amounts in millions except per share amounts)				
SUMMARY OF OPERATIONS					
Revenue					
Oilfield Services	$4,054	$3,788	$2,814	$2,037	$1,636
Measurement, Conteol & Components	1,971	1,995	2,070	1,513	983
Interest and other income	259	195	153	91	65
Gain on sale of Rowan shares	—	—	100	—	—
	$6,284	$5,978	$5,137	$3,641	$2,684
% Increase over prior year	5%	18%	41%	36%	22%
Costs of goods sold and services	$3,479	$3,244	$2,813	$2,061	$1,499
Operating income					
Oilfield Services	$1,656	$1,702	$1,184	$809	$648
Measurement, Conteol & Components	34	131	230	189	122
Eliminations	(18)	(25)	(14)	(14)	(6)
	$1,672	$1,808	$1,400	$984	$764
% Increase over prior year	(8%)	29%	42%	29%	21%
Interest expense	$117	$108	$102	$52	$18
Taxes on income	$451	$580	$522	$355	$295
Net income	$1,348	$1,266	$994	$658	$502
% Increase over prior year	6%	27%	51%	31%	25%
Per common share					
Net income	$4.60	$4.37	$3.47	$2.30	$1.75
Cash dividends declared	$0.92	$0.77	$0.63	$0.48	$0.37
SUMMARY OF FINANCIAL DATA					
Net income as % of revenue	21%	21%	19%	18%	19%
Return on average stockholders' equity	28%	34%	36%	31%	29%
Fixed asset additions	$1,094	$1,063	$748	$503	$393
Depreciation expense	$584	$433	$323	$242	$184
Average number of shares outstanding	293	289	286	288	286
AT DECEMBER 31,					
Working capital	$2,171	$1,637	$1,249	$1,066	$910
Total assets	$7,846	$6,525	$5,242	$4,350	$2,930
Long-term debt	$462	$278	$238	$490	$85
Stockholders' equity	$5,226	$4,235	$3,218	$2,400	$1,900

* Net income includes $70 million after-tax gain ($0.24 per share) on sale of Rowan shares.

** Results of Fairchild were consolidated beginning July 1, 1979. If the accounts had been consolidated for the full year 1979, the Company's revenue would have been $4 billion, with an immaterial effect on net income and net income per share.

Certain information relating to directors' share dealings and group companies, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during normal business hours at Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB, from whom copies of the full Annual Report may be obtained.

INTERNATIONAL COMPANIES and FINANCE

First-half downturn for Sime Darby

By Wong Sulong in Kuala Lumpur

SIME DARBY, Malaysia's largest company, has reported a 41 per cent drop in pre-tax profits to 61.2m ringgit ($US26.9m) for the half year ended December 1982.

Although the fall is more severe than expected, Sime is maintaining its interim dividend of 4 cents a share. *Net* earnings were down by 39 per cent to 36.9m ringgit, while turnover fell by 30 per cent to 1.1bn ringgit.

All the group's main operations, plantations, heavy equipment, and trading, suffered sharp falls in earnings *because of the depressed* commodity prices and contracted sales.

Sime's Hong Kong operations were the worst hit, with profits declining by 60 per cent to 6.5m ringgit, and Tun Tan Siew Sin, the company chairman, ruled out any real *improvement without a return* of economic and political confidence.

Sime boosted net profits attributable to shareholders to 90.8m ringgit against 36m ringgit through net extraordinary gains of 63.7m ringgit. The main item was the sale of 901 hectares of a rubber estate outside Kuala Lumpur for 88m ringgit by Sime's listed subsidiary, Consolidated Plantations, to the Heavy Industries Corporation of Malaysia.

In terms of its operations the only bright spot for Sime was its tyre plant in the Philippines, purchased from B. F. Goodrich of the U.S. two years ago. Due to a Philippines government crackdown on cheap imports the Sime plant had profits of 7.8m compared with 4.4m ringgit.

Following the termination of its loss-making insurance business in the UK, and a re-organisation, things are looking better for the Western division, although it still incurred a 1m ringgit loss.

Tun Tan warned that any world recovery would take time to reach Malaysia but there should be an improvement in profits in the second half. The group was hopeful that the final dividend of 6.8 cents would be maintained.

The interim dividend of Consolidated Plantations has however been reduced from 7 cents to 5 cents following a 10m ringgit fall to 15.6m ringgit, in half-year net profits. The final profit figure rose to 90m ringgit compared with 28m ringgit, as a result of the extra-ordinary gain from the rubber land sale.

Southern Sun to build Atlantic City casino

BY BERNARD SIMON IN JOHANNESBURG

SOUTHERN SUN, the South African hotel chain which is 69 per cent owned by South African Breweries, is planning to extend its interests into the U.S. through a $250m casino and hotel complex in Atlantic City.

The South African group will subscribe $50m for half of the equity of a newly-formed company, Sun Resorts. The other half of Sun Resorts' capital will be put up by a consortium led by *American Leisure*.

American Leisure, which is traded in the "over the counter market" in New York, owns an 8.2 acre *site in the Marina section* of Atlantic City as well as the casino licences and permits for the property. It is to sell the property and licences to Sun Resorts for $26m.

Sun Resorts' remaining capital of $74m will fund the construction of the planned 1,000-room hotel complex. A further $150m needed for the complex will be raised by Sun Resorts by means of mortgages and loans through North American banks.

Southeco Sun is to finance its $50m equity participation in Sun Resorts by drawing down existing borrowing facilities arranged outside South Africa. The project, which is expected to be Atlantic City's largest hotel complex, will take 30 months to complete and will be managed by Southern Sun.

- Sigma Motor, the troubled South African motor manufacturer in which Chrysler recently sold its 25 per cent shareholding, is to be refinanced by an injection of new equity.

Mr Chris Griffith, chairman, disclosed that Sigma lost R55m ($50.3m) last year, probably the biggest annual loss ever suffered by a privately-owned South Africa company. He said a refinancing operation had been "the subject of unresolved discussions among the shareholders for the past two years."

Sigma, which assembles Mazda, Mitsubishi and Peugeot vehicles, is now wholly owned by Anglo American Corporation and its industrial arm, Amic. Mr Griffith said Chrysler had been paid R16.5m for its share of equity, loan and trade debts.

According to Mr Griffith most of last year's loss came from unexpectedly high import costs and uncovered foreign loans. High interest charges and weaker demand for the company's products accounted for R15m of the loss. Sigma's share of the South African passenger car market has slipped from 20 per cent to 12 per cent in the past three years.

Six of the company's most senior executives have left in recent months and a new managing director has ordered a review of the company's operations.

Meiji Seika drug investigation

BY YOKO SHIBATA IN TOKYO

MEIJI SEIKA, a leading Japanese confectioner and drug-maker, came under heavy selling pressure on the Tokyo stock exchange, following the Ministry of Health and Welfare announcement that it is to investigate the alleged falsification of clinical test data relating to the company's new digestive enzyme drug.

Yesterday the price of Meija Seika shares fell Y18 to Y542 on rumours of the ministry's move.

The drug, called "Excelease," has been available on prescription since 1978. According to a ministry official "Excelease" was not technically a new drug, it was a "me-too" (imitation) drug, produced by combining ingredients already approved as safe and effective by the ministry. A "*me-too*" *drug* requires only animal experiments to obtain the ministry's permission for production.

The ministry's announcement follows Press reports that data on tests on animals was manipulated at the Faculty of Pharmacology at Showa University in the presence of Meiji Seika's researchers in 1975.

On Friday the company's shares were suspended following fears that yet another pharmaceutical scandal was about to break. However, after a denial of the falsification rumours by Meiji Seika, trading was resumed on Saturday.

Last December another Japanese drug company, Nippon Chemiphar, was ordered to suspend business operations for 80 days by the Ministry of Health and Welfare, as an administrative punishment for *its fabrication of clinical data* on new drugs.

As a result, Nippon Chemiphar now expects a full year pre-tax loss of Y1bn, against profits of Y4.7bn in the previous year.

- A Japanese banking syndicate has agreed to an Indonesian request to defer until end-1984 repayment of Y10.5bn lent for the Asahan aluminium project in Sumatra, according to the Export-Import Bank of Japan.

The syndicate lent *a total of* Y210bn in seven annual instalments from 1976 for the plant, due for completion in October 1984, which will produce 225,000 tonnes a year of smelted aluminium.

The syndicate has deferred repayment of Y1.5bn due by end-1982 and of Y9bn, maturing end-1983, until end-1984. Interest payments are being made normally.

Tokyo banks accept bond terms

A syndicate of 33 Japanese banks and securities houses has accepted in principle a Finance Ministry proposal to issue Y1,100bn ($4.7bn) of 10-year national bonds this month at 98 per cent, down from 98.5 per cent previously, reports Reuter from Tokyo.

Other terms are unchanged from previous issues in January, when the ministry issued Y700bn of 10-year 7.5 per cent bonds at 98.5 per cent to yield 7.766 per cent.

Last month the ministry cancelled *a planned issue of* Y300bn of 10-year bonds at terms unchanged from January after the syndicate refused to accept the terms.

The syndicate has also accepted a ministry proposal to issue Y65bn of five-year discount bonds at 69.75 per cent to yield 7.47 per cent, compared with 70 per cent and 7.394 per cent respectively for the January issue. Discount bonds are usually issued every other month under an understanding *with the syndicate*.

The proposed March issue of Y1,100bn of 10-year bonds will reduce the remaining volume of long-term national bond issues in fiscal 1982 [illegible] to about Y300bn. The amount will be issued in the April-June period which is an adjustment period for the fiscal 1982 national budget.

Boral ahead despite cost of BMI takeover

By Lachlan Drummond in Sydney

BORAL, the Australian building products group recently enlarged by the acquisition of its competitor BMI, has reported a 10.5 per cent improvement in net earnings for the half year to December 31.

Net profits were A$27.4m (US$26.6m) compared with A$24.8m previously. The contribution from two months' ownership of BMI was A$820,000 after all charges, leaving the Boral operations with a gain in profits in line with its 8.4 per cent increase in turnover to A$391m. Including its share of BMI's turnover the total was A$481.7m.

The effects of higher interest rates and outlay for the takeover are shown in interest charges, ahead from A$8.55m to A$13.75m. Before debt charges, a depreciation provision of A$16.7m and tax of A$19.4m, total income was significantly ahead from A$65.3m to A$80.8m.

The company said results were adversely affected by a drop in home building.

The company is paying an unchanged 7.5 cents a share *dividend on earnings per share* down from 15.7 cents to 11.8 cents on capital increased by shares issued in the BMI takeover and a one-for-five scrip issue.

- HUMES, the concrete pipes and steel reinforcing group, pushed up net profits by 36 per cent to A$9.62m (US$9.3m) for the half year to December, although comparisons were distorted by the sale of its Malaysian operations and the acquisition of *ARC Industries* in the intervening period.

However, after stripping out an A$5.7m profit from ARC, down by 36 per cent, it appears that the slack economy and drought have bit Humes hard in its traditional operations.

Overall sales were A$350m against A$154m, although the total is distorted by the change in company structure. The dividend is unchanged at 4 cents a share.

Elders IXL to raise U.S.$100m

THE DIVERSIFIED Australian company Elders IXL is raising US$100m through a five-year revolving Eurocredit, according to lead manager Swiss [illegible] [illegible]

Raised from about 10 or 12 banks, the loan will pay interest at ⅛ per cent above London interbank offered rates for Euro-dollars, with a commitment fee of ⅛ per cent on unused funds.

How The Morgan Bank shapes successful syndications around the world

Incorporated with limited liability in the U.S.A.

Five of Morgan's London-based syndications specialists are, from left, Robert Gray, who heads the group, Janet Mitchell, Miriam Raney, Victor Brunello, Benjamin Weston.

When a corporation, a government, or a government agency seeks a major syndicated financing, it wants innovative ideas and professional execution. When it turns to The Morgan Bank it gets these—and a lot more.

There's the Morgan banker, who specialises in wholesale banking. There's our internationally respected team of syndications specialists. And there's Morgan's major presence in international money and capital markets. Last year The Morgan Bank was alone in ranking among the top 10 lead managers worldwide in both Eurobond and syndicated loan transactions.

So we know where the money is, and we're able to commit large sums for our own account.

Access to new techniques

Delivering these unusual strengths to major borrowers is the joint responsibility of Morgan's worldwide staff of banking officers and the international syndications group.

Continuous communication between the two means that major borrowers receive regularly updated information on a broad range of financing techniques. In addition to syndicated Eurocurrency loans, these may include floating-rate capital market transactions, loans denominated in composite currencies such as European Currency Units and Special Drawing Rights, or interest rate and currency swaps.

Banks and borrowers benefit

Our standing with other international lenders is especially important to borrowers. Putting together a major financing requires not only knowledge of the sources of funds, but access to them, and informed judgement in choosing among them. This ensures that term, maturity, and other conditions will be tailored to the purpose of the loan and to market conditions.

Participating banks also value our knowledge of the total syndications market, our skill in coordinating and executing financings, and our thoroughness in preparing loan documentation.

Morgan syndications specialists are headquartered in London, New York, and Hong Kong. Acting with speed and discretion, they help clients around the world meet a wide range of credit requirements. These include short-term capital loans to finance trade, medium-term revolving credits for corporations or for countries with development needs, and longer-term financing for projects which generate funds for repayment.

Call any Morgan office

Learn more about how The Morgan Bank's combination of expertise and financial resources can help you meet major syndication needs. Talk with the Morgan officer who calls on you, or contact us through any of our offices, worldwide. Member FDIC

The Morgan Bank

Discontent over Ministry of Finance guidance

Japanese banks take new look at loans to sovereign borrowers

JAPANESE BANKS face a hard task in coming months in providing financing to sovereign borrowers such as Mexico, Brazil and the Argentine engaged in debt rescheduling negotiations—and the Japanese financial authorities find themselves on the horns of a dilemma as they exert pressure on the banks to play their parts in the international rescue moves.

The banks require to find some $4-5bn for this purpose, at a time when the Japanese authorities are committed to increasing their surveillance of Japanese banks' overseas lending, to protect them from bad debt exposure.

There is anxiety and discontent among Japanese commercial banks at being pressed to run their credit lines to heavily debt-burdened nations on rails set by the Ministry of Finance.

The Ministry has also disappointed the banks by refusing to allow them tax-relief on provisions they are to make in their reserves against possible loan losses overseas, respecting some 20 sovereign borrowers.

It was announced by the Ministry last week that the banks are to be allowed to make such provisions as to 1 per cent to 5 per cent of their sovereign loans to specific countries out of after-tax profits.

Japan's involvement in the international banking community's debt rescue operations may be illustrated as follows:

● In the case of Mexico's rescheduling of the $20bn of its $80bn debt which falls due for repayment this year, there are 25 Japanese banks involved, sharing a burden of $2bn. In addition, Japanese banks are pledged to provide $750m in a $5bn commercial credit to Mexico, in proportion to their existing loan exposure to the country.

● In the case of Brazil, 25 Japanese banks, including the 13 so-called City banks, the nationally organised commercial banks, are pledged to provide $727m of an international $8.4bn package consisting of $4.4bn in fresh loans and $4bn to refinance loans falling due this year.

● Japanese banks are committed to participate in the rescheduling package for Argentina, which is expected to be approved this month. They will take part in $200m of new credits to the country.

Outstanding overseas medium and long-term lending by Japanese banks, including that in yen, totalled $59bn at the end of September, a figure taking second place only to the U.S. Of total overseas lendings, Japanese banks' loan exposure to the 20 or so countries recognised by the Japanese authorities as financially troubled amounted to $30bn, including $10bn to Mexico and $9bn to Brazil.

In the move to protect Japanese banks from overseas bad debt exposure, the Japanese financial authorities have proposed that Japanese banks should make specific loan loss reserves, bearing tax, against the 20 or so sovereign borrowers, at the rate of 1 per cent to 5 per cent of total loans outstanding to each country when they close their books for the financial year at the end of March.

The MOF's proposals were made in reply to a petition from the Banking Association for the introduction of tax-free loan loss provisions. The tax request was, however, turned down by the ministry because the introduction of a tax-free provisions would hold down government revenues and there is no requirements under the current banking law to allow tax relief on loan provisions against sovereign borrowers, though this does allow for provisions against irrecoverable debts to individual companies.

Diplomatic procedure means that the names of the 20-odd sovereign borrowers accepted as risky have not been disclosed. The financial authorities have, however, assessed the balance of debt outstanding to those countries at $30bn, or Y6,900bn, as at the end of September.

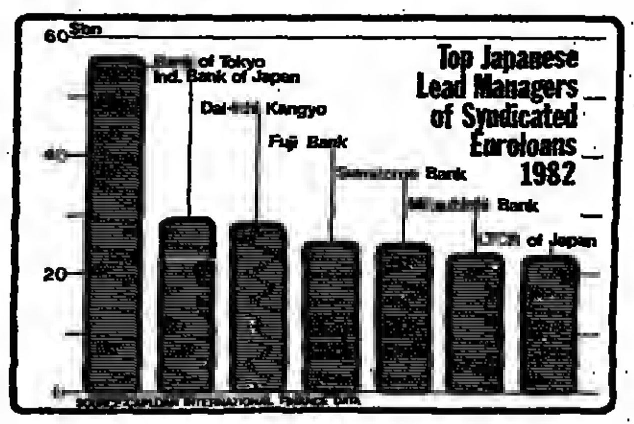
If a 5 per cent upper limit of bad debt reserves was applied, the provisions involved for the 13 City banks would average roughly Y20bn. Loan loss provisions on this scale horrify Japanese banks because they are at a level tending to wipe out net profits of 1981-82. Lower-ranking City banks would have to resort to sales of securities and the use of hidden reserves to make such provisions. Some banks have begun to sell holdings of securities.

The Ministry dispensation was sought for banks such as the Bank of Tokyo, the country's foreign exchange specialist, and financially weaker City banks, to set the lower limit at 1 per cent.

For Japanese City banks, used to following similar policies in such matters as dividend payments and numbers of branches and cash dispensers, a vexing issue lies in widening discrepancies in internal reserves policy.

For example, eight city banks would be likely to put a full 5 per cent to loan loss reserves, while loan loss reserves of only 1 per cent are preferred by the lower ranking four City banks.

Without the current sovereign financial crisis, Japanese banks would report all-time record earnings in the current year. Sumitomo Bank regards the current liquidity crisis as transitional, and therefore to be covered by the bank's internal reserves, without affect on profits. The bank is strongly enough placed to post strong earnings, up to the target set for the year, even after making Y20bn of loan loss provisions. Some bankers, however, fear a major shakeout of weaker banks resulting from the loan loss provisions.



Against the background of the international money market problems, the MOF has decided on flexible exercise of the guidelines on Japanese banks' overseas lending, allowing the banks to extend credit lines to Mexico and other financially-troubled countries beyond the ordinary ceiling of 20 per cent of individual net bank worth.

The Japanese banks voice their concern at keeping their credit lines open to heavily debt burdened nations under MOF guidance:

● "Why do we have to put out our money into rescue operations, for the sake of international co-operation, while allowing the U.S. regional banks to drop out of rescue finance, is one question they ask.

● "Saving Latin American countries from going into default has political and strategical importance for the U.S., but why have Japanese banks to be dragged into the U.S. scheme?" is another.

The international financial community has placed pressure on Japan to shoulder a proportion of responsibility matching the role played by them in overseas lending last year. Japanese banks emerged as the most active lenders in the Eurodollar credit market in the first half of last year, spurred by the liberalisation of their long-term lending to any type of foreign borrowers, including sovereign borrowers, last May.

The rapid overseas lending expansion caught not only the City banks but also Japanese regional banks and trust banks without enough overseas lending experience and adequate credit rating systems. Japanese banks were particularly willing to participate in syndicated loons. Where possible, they sought to be a lead manager, to allow fees to make up for narrowing interest rate margins.

They came, however, late into the Eurocredit market, when the Organisation of Petroleum Exporting Countries' supply of money had begun to dry up. Accordingly, their role in the Eurocredit market was the more vital a one. They became the last lender to risky sovereign borowers, stepping into the gap left by U.S. and European banks having stopped such lending. The result was that no less than seven Japanese banks are represented in the list of the world's top 20 lead-managers in the Eurocredit market last year as measured by Caploan International Finance data.

The Bank of Tokyo, the Japanese foreign exchange specialist bank, became the world's largest Eurocredit leader with as much as $56.6bn involved, compared with $9.8bn in 1980, followed by the Industrial Bank of Japan, placed ninth with $29.5bn, Dai-Ichi Kangyo Bank 11th with $28.3bn, Fuji Bank, 12th with $25.5bn, and Sumitomo Bank, 13th with $25.3bn.

Lending to Mexico or Brazil with an interest spread obtained at the expense of risks "tasted as exquisitely as Fugu (blow fish)," says one City bank manager. The Japanese gourmet finds it most exquisite when the tongue and the palate are slightly benumbed by the poisonous part of the Fugu.

After the explosion of the Mexican debt crisis, last August, the possibility of Japanese banks' withdrawal from the Eurocredit market has become a matter of unfavourable criticism in the international financial community.

Mr Shintaro Abe, the Japanese Foreign Minister, however, stresses the point that the Government will press Japanese banks to co-operate with Latin America's debt troubled countries.

Yoko Shibata

كاظم الأعمال

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 9020/AD/MEC

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

3 No. Trucks for mobile maintenance unit, suitable for all types of terrain, with complete equipping of the chassis with lubricating unit. Useful load 15 to 20 tonnes.

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 9020/AD/MEC Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9020/AD/MEC—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 16 April 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 0323-IK/MF

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Spare parts for "lightnin" agitator (mixer)
—Models 324 thru 339
Spare parts for "lightnin" agitator
—Models 82 thru 86 (Gear Drive)
Spare parts for "lightnin" agitator
—Models 81Q thru 89Q

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 0323-IK/MF Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 0323-IK/MF—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 2 April 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

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(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 0458-IK/MF

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Wire Rope of varying diameters

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 0458-IK/MF Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 0458-IK/MF—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 9046-A4/MF

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Blow Out Preventer (B.O.P.) and Spare Parts

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 9046-A4/MF Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9046-A4/MF—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 0870/IJ/MEC

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Spare parts for M.A.N. engine

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits—2, Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 0870/IJ/MEC Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 0870/IJ/MEC—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 16 April 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 9096/AR/MEC

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

"Gin-Pool" Truck—(Quantity 14) for all types of Terrain—Lifting Capacity 10 tonnes

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits—2, Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 9096/AR/MEC Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9096/AR/MEC—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 16 April 1983, 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

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(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 008-DN/MEC

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Item No 1: Spare Parts for Renault 4 Vehicles
Item No 2: Spare parts for Renault 12 (Vehicles)
Item No 3: Spare parts for K70 VW 22-AS Vehicles

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

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Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES
(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 9049-A4/MF

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

MANIFOLDS

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 9049-A4/MF Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 9049-A4/MF—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

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(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 0121/OK/MEC

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

Item No 1: Air compressor—14 Bars
Item No 2: WESTINGHOUSE compressor
Item No 3: WISCONSIN compressor
Item No 4: Spare parts for MERCEDES engines
Item No 5: Spare parts for LOMBARDINI engines
Item No 6: Spare parts for WORTHINGTON compressors
Item No 7: Spare parts for WESTINGHOUSE compressors
Item No 8: Spare parts for GORMAN-RUPP compressors

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algerie, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

Tenders, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no captions, and stating simply "APPEL D'OFFRES INTERNATIONAL Numero 0121/OK/MEC Confidentiel—A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS Number 0121/OK/MEC—Confidential—Do not open).

Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

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(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Company for the Exploitation of Oilwells)*

NOTICE OF INTERNATIONAL CALL FOR TENDERS

NUMBER 9047-A4/MF

L'Entreprise Nationale des Travaux aux Puits is launching a National and International Call for Tenders for the supply of:

ACCUMULATOR UNITS

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 dated 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the Specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitain Azzoug, Cote Rouge, Hussein-Dey, Algiers, Algeria, Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this notice is published.

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Tenders should be sent to arrive by Saturday 26 March 1983, at 1200 hours, at the very latest.

Selection will be made within 180 days with effect from the closing date of this Call for Tenders.

* (Alt. rendering: mineshafts)

ONE OF THE WORLD'S LARGEST

AUCTIONS!!!

50 MILLION DOLLAR ACQUISITION COST OF SURPLUS MATERIALS, SUPPLIES & CONSTRUCTION EQUIPMENT

Beginning April 4 and Continuing Daily
10:00 A.M. to 6:00 P.M. (Each Day)

Phipps Bend Nuclear Plant Site
Surgoinsville (Kingsport), Tennessee

By order of the Tennessee Valley Authority, Miller & Miller Auctioneers, Inc. will sell at public auction unused materials, unused supplies and used construction equipment purchased for the construction of the Phipps Bend Nuclear Plant. Everything will positively sell to the highest bidder, no minimum or reservation. Auction to be conducted at the Phipps Bend Nuclear Plant Site located near Surgoinsville (Kingsport), Tennessee. The auction will be in an auditorium sit down fashion. Bidders are invited and urged to inspect the property to be sold before bidding as property will be sold AS IS. Materials, supplies and equipment may be inspected beginning March 21 through April 1 from 8:00 A.M. to 3:30 P.M. Monday through Friday. All prospective purchasers will be required to register and sign a hold/harmless agreement prior to entering sale site. Quantities shown below are approximate, should be verified by inspection.

PIPE: 392,491' of ductile, concrete, corrugated culvert, cast iron, carbon steel, coated, stainless steel, PVC, sewer, aluminum, galvanized & clay. Assorted sizes from ¾" to 66" VALVES: (562) 1" to 120" motor & air operated butterfly, globe, gate, swing check and manual operated butterfly. PUMPS: (128) centrifugal, booster, vertical turbine, transfer, feed & vacuum; 200GPM to 125,000GPM, 3450HP to 5HP electric motors. FANS: (105) Zum clarage fans, 500SCFM to 38,900SCFM. AIR HANDLING UNITS: (151) Governair; 26,000SCFM to 1500SCFM, vertical & horizontal, single zone. WATER CHILLERS: (8) Carrier 400-ton; (2) Trane 1500-ton; (4) Trane 180-ton; (2) Trane 2-stage absorption cold generators. AIR CONDITIONING UNITS: (94) Carrier. WELDERS: (239) 300-amp to 1500-amp; (5) Panjiris automatic horizontal & vertical welders. SWITCH GEAR: (17) 480-volt switch gaar & transformers: (7) 6900-volt switch gaar & transformers: (13) 480-volt motor control centers. ELECTRICAL: 2,940,646' of copper cable; 1AWG to 20AWG, 600-volt: 12,771' cable tray: (7) Neutral grounding resistors: Assorted sizes of condulets. (4) G.E. 250KVA generators. TANKS: (11) 78,000-gallon to 15,000-gallon stainless steel, steel & aluminum tanks. AIR COMPRESSORS: Stationary compressor plant consisting of; (5) Ingersoll-Rand SPA300VH 1,550CFM air compressors, each powered by 400HP electric motor, in 40'×130' metal building with (2) hoist & trolleys. (4) 5HP air compressors. OVERHEAD CRANES: (9) 250-ton to 1½-ton electric overhead traveling bridge cranes: (4) 5-ton to 1½-ton electric hoist: OTHER RELATED ITEMS: Envirovac vacuum sewage collection system: Cooling tower strainers: Assorted sizes of metal buildings: Blueprint machine & copier: Large amount of hand tools, pipe benders, pipe threaders, welding suppliers, pipe fittings, scaffolding. CONSTRUCTION EQUIPMENT: C.S. Johnson 12-yard concrete batch plant: Appco 6-yard concrete batch plant: Concrete pumps: Dumpcrete trucks: Cement bulk trailers: Concrete forms: Crawler tractors: Scrapers: Loaders: Cranes: Hydraulic backhoes & cranes: Tower cranes: End dumps: Compactors: Trenchers: Air compressors: Trucks & trailers.

APPROXIMATE TWO BILLION DOLLARS worth of materials and equipment similar to above, plus other items, associated with large construction projects are available for sale. For information contact TVA, INVESTMENT RECOVERY PROJECT at 615 632-7750.

Contact Auctioneers for Free Descriptive Brochure listing terms and property to be sold at auction.

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817-732-4888 Telex: 75-8440
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Yes, I would like a descriptive brochure on TVA auction.

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COMPANY NOTICES

H. J. HEINZ COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 3.12% (formerly 4½%) Redeemable Cumulative Preference Shares of this company will be closed from 1-22 April 1983, both dates inclusive.

J. A. ROSS,
Company Secretary.

Hayes Park,
Hayes, Middlesex.
8 March 1983.

BANCO NACIONAL DE MEXICO, S.A.

FLOATING RATE SUBORDINATED NOTES 1992

NOTICE IS HEREBY GIVEN, that pursuant to Condition 6 (a) of the Notes, U.S.25,000,000 principal amount has been purchased by Credit Suisse First Boston Ltd. as Purchase Agent during the period ended February 7, 1983. With effect from that date, U.S.554,000,000 principal amount will remain outstanding.

THE CHASE MANHATTAN BANK N.A.
Principal Paying Agent.

March, 1983.

PUBLIC NOTICES

NOTIFICATION OF NEW INTEREST RATE
BOROUGH OF BOURNEMOUTH
£5,000,000 1985
VARIABLE RATE STOCK
(Issued 6th September, 1979)

The interest payment due on 7th September, 1983 in respect of the period 7th March, 1983 to 7th September, 1983 will be £6.0 per cent (less income tax) being at a rate of £12.0 per cent per annum (determined in accordance with the terms of issue as being a margin of 1 per cent per annum above the average of the rates indicated by the Reference Banks to Midland Bank PLC).

4th March, 1983.

LOCAL AUTHORITY BILLS
BURNLEY BOROUGH COUNCIL

Amount of Bills £850,000 issued on 9.3.83 maturing 2.6.83 at a rate of 10¼%. Applications totalled £4,550,000. These are the only Bills outstanding.

EXHIBITIONS

COLNAGHI, 14, Old Bond Street, London, W1. 01-491 7408. ENGLISH ANCESTORS. Until 31st March. Mon.-Fri. 10-6, Sat. 10-1.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. FRENCH & BRITISH Paintings, Drawings & Sculpture.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. HARRIET LASSALE AMERICAN JOURNEY.

LEFEVRE GALLERY, 30 Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5, and Sats. 10-12.45.

NICOLA JACOBS GALLERY, 9 Cork St., London, W1. Tel: 01-437 3868. John Groom Paintings until 26th March 1983.

PARKER GALLERY, 12a-12b, Berkeley Street, London W1X 2AO (opposite Mayfair Hotel). Tel: 01-499 5906.

CLUBS

HANOVERIAN NIGHTCLUB and Res., 9, Hanover Street, W1. Where today's businessman can enjoy an exciting and relaxing evening. Charming and discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 01-408 0269.

THE GASLIGHT OF ST. JAMES'S, London's most exciting businessman's night time retreet. No membership needed. 2 bars, dozens of danceable companions, intriguing Cabaret Acts. Happy hour 8-9 pm if required, superb three-course dinner only £9.75 plus service and tax. Entrance fee £5.75 (£5 refunded to diners ordering before 2 am). Mon.-Fri. 8 pm-2 am, Sat. 9 pm-2 am. 4, Duke of York Street, SW1. Tel. 01-930 1648/4950.

CLASSIFIED ADVERTISEMENT RATES

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Financial Times
10, Cannon Street, EC4P 4BY

UK COMPANY NEWS

Higher bad debts charge leaves Barclays 13% down

AFTER a much higher charge for bad and doubtful debts of £318.3m, against £140.1m, profits, before tax, of Barclays Bank were down by £71.4m to £495.2m for 1982, a fall of 13 per cent. At the interim stage pre-tax profits had declined from £280.3m to £236.5m.

At the year-end earnings per £1 share are shown to be down from 127.3p to 96.7p, but the dividend is effectively lifted by 20 per cent to 22p ((18.33p adjusted) with a final distribution of 11p.

Operating surplus for the year amounted to £487.3m, compared with £577.8m, and with associate companies' share of £74.6m (£58.5m) total pre-interest profits were £561.9m (£616.3m) and were split as to: domestic—Barclays Bank £313.4m (£287.1m); Barclays Merchant Bank Group £8.4m (£7.6m); Mercantile Credit Group £42.4m (£52.1m); others £51.9m (£47m); international — UK £24.4m (£28.7m); U.S. £35.1m loss (£37.3m profit); South Africa £78.3m (£70.8m); rest of the world £78.2m (£105.7m).

Mr Timothy Bevan, chairman, explains that in the UK clearing bank, which includes Barclaycard, profits increased despite the need for much higher provisions for bad and doubtful debts and lower interest rates. The average base rate in 1982 was 11.9 per cent, compared with 13.2 per cent, while the margin between the average base rate and seven-day deposit rate widened from 2.8 per cent to 2.9 per cent.

Results, he says, benefited from profits on gilt-edged security transactions in the second half of the year. Overheads have risen despite strenuous efforts in cost control, but productivity showed a further increase.

Cheque account balances represent only 23 per cent of total domestic deposits, against 40 per cent in 1978, but the resultant cost of funds has to some extent been offset by significantly improved commission income on services, Mr Bevan points out.

"It would be unwise to say that the worst has passed in the need for provisions as there are still a number of companies which require careful nursing and some of these will inevitably slip over the edge."

Mr Bevan adds that other domestic operations experienced generally good results, but Mercantile Credit faced reduced margins, higher bad debts in its consumer credit lending and increased overheads which resulted in the fall in profits.

International operations produced a lower level of profits in 1982, "and Barclays Bank International's profit contribution is £146m which is 40 per cent down on 1981." Profits there were adversely affected by the need for substantial provisions for bad and doubtful debts in a number of areas, he states.

In particular, some activities in the U.S. have suffered and, despite good profits from BarclaysAmericanCorporation, "our overall operations there have resulted in a loss this year which has been made worse in sterling terms by the fall in the value of the pound against the dollar."

The level of cross border exposure—in the main for the finance of trade and commerce—to borrowers in certain countries who are short of foreign exchange, particularly in Latin America and East European countries, has been a cause for some concern. However, in no country does the figure amount to more than about 1 per cent of the group's total assets, Mr Bevan points out.

During 1982 group assets grew in sterling terms by 21 per cent, but about one-third of this growth arose as a result of the fall in the value of sterling. However, capital resources increased by £737m, the main additions being retained profit, two sterling loan stock issues and a revaluation of the group's properties in the UK and in certain overseas countries.

For 1982 group interest income amounted to £7bn (£6.03bn) while interest expense took £5.06bn (£4.32bn). Other operating income added a further £716.8m (£615.9m) but expenses of £1.92bn, against £1.63bn left £744.5m, compared with £703.5m.

After the charge for bad and doubtful debts and a £81.1m profit (£5.6m loss) on realisation of investments, the operating surplus was left £70.5m behind at £487.3m.

The bad and doubtful debts figure, against profits, for the year comprised a £325m (£122.1m) group charge for specific provisions — £118.5m (£45.3m) for the Bank; £5.2m (£24.3m) charge for general provisions—£15.5m credit (£2.3m charge) for the Bank; less £11.9m (£8.3m) being recoveries of amounts previously written off—£6.9m (£1.9m) for the Bank.

Movements in provisions for bad and doubtful debts in the year were: provisions at beginning of year £538m (£446.6m)—Bank £250.5m (£236.4m); exchange and other adjustments £25m (£29.8m)—Bank nil (nil); provisions raised, less amounts released £330.2m (£146.4m)—Bank £103m (£47.6m); amounts written off £144.1m (£84.6m)—Bank £75.7m (£33.5m), making provisions at the year-end £749.1m (£538m)—Bank £277.8m (£250.5m).

Tax charge for the year was £131.2m, compared with £105.2m, and after minority interests, £35.2m (£30.2m), and an extraordinary debit of £84.1m last time—special levy on UK banking deposits—the attributable balance came through at £328.8m, against a previous £337.1m. Dividends will absorb £75m (£62.4m).

The directors point out that the tax charge was reduced by £128.4m (£154.5m) due to the deferment of tax liabilities for which provision has not been made. The total amount of potential tax not provided at December 31 1982 is £732.4m (£588.4m). The directors consider it prudent to continue to maintain a provision of 25 per cent of the potential tax liability in respect of the group's UK leasing business.

At December 31, shareholders' funds amounted to £2.76bn (£2.27bn), minority interests in subsidiaries were £179m (£132m) and loan capital stood at £825m (£432m). Deposits totalled £51.91bn (£42.83bn), advances £43.69bn (£35.81bn) and total assets £59.05bn (£48.75bn).

On a current cost basis the group's pre-tax profit was reduced to £349.5m (£345.4m).

See Lex

Parker Knoll up 21% at midway

By Our Financial Staff

TAXABLE PROFITS of Parker Knoll, the furniture and carpet manufacturer, rose by 21 per cent from £1.15m to £1.4m in the six months to January 31 on sales up by 6 per cent to £18.76m.

After tax provision of £560,000, compared with £462,000, earnings per share showed a 2p increase to 11.5p, but the interim dividend has been held at 2.5p net per 25p share. Last year's final payment was 5p, and pre-tax profits amounted to £2m.

Mr M.H.T. Jourdan, chairman, said there were reasons for believing that the group might be at the start of a period of modest growth, and he felt more optimistic than for some time.

At Mathan Furniture losses were reduced from £622,000 to £437,000 and the chairman pointed out that while losses remain a matter for concern, he found it encouraging to be able to report that orders received had increased substantially.

"Output is improving steadily and I expect losses to continue to be reduced during the remainder of this financial year," he said.

The relaxation of hire purchase restrictions and the reduction in mortgage rates, had resulted in a more buoyant market for the group's products, Mr Jourdan said. The contraction in both the furniture and carpet industries is "now increasing demand on the manufacturing capacity which remains."

Boston offers free bank cashing service

By Alan Friedman, Banking Correspondent

A FREE bank cheque cashing service is being launched by Boston Trust & Savings, the UK finance subsidiary of The First National Bank of Boston.

Under the scheme, Boston's 25 "Moneyshops" will cash any bank cheque which is supplemented by a valid cheque guarantee card. In exchange, the customer agrees to provide his or her name and address so that Boston can add this to its mailing list.

Mr Graham Telford, a director of Boston Rust & Savings, said yesterday he believed the service would be popular with the public "at a time when a number of banks are charging up to 50p per cheque."

Four of Boston's 25 branches are in the London area and five are located in Debenhams department stores around the country.

Ultramar in rights issue

THE SECOND largest rights issue ever undertaken by a UK oil company has been slightly undersubscribed. Ultramar's £108m cash call, launched on February 9, has received applications totalling over 82 per cent of the issue.

Shares not taken up have been sold at a net premium of 39.19p per ordinary share, which will be distributed to entitled shareholders. Amounts of less than £2 will be retained for the company.

The shares were offered at £4 each, at a time when the market price was £5 a share. Yesterday the shares closed at 457p.

● David Dodwell looks at the £17m bid for Alpine Holdings

Hawley moves at eleventh hour

MR RALPH KANTER, managing director of Alpine Holdings, yesterday seemed well pleased with the 11th-hour bid for his double-glazing and shower manufacturing company by Kean and Scott, the furniture manufacturer and retailer that was floated last October on the Unlisted Securities market by Mr Michael Ashcroft.

"We are two recovery companies—and both of us are well on the recovery road," he said from Alpine's stand at the Ideal Home Exhibition, which opens today.

Share dealings in Alpine were suspended early last week pending an announcement by Alpine that it intended to bid for another company.

"We would have made an announcement on Friday if Kean and Scott had not come along to overtake events," Mr Kanter said. The original bid talks were consigned to the rubbish bin.

Mr Ashcroft, who runs Hawley Leisure, the fast expanding industrial holding company, of which Kean and Scott is a subsidiary, said that the purchase was intended to "extend Kean and Scott's operations" in the UK.

The move he indicated was a prelude to further expansion into Europe and an announcement was "imminent" on plans for U.S. expansion.

Kean and Scott is offering 13 or its 10p shares for every five ordinary in Alpine. If the share offer is fully taken up, it would value Alpine at 148.2p a share, or about £17m.

The move could make it one of the largest in the UK for the manufacture and installation of products for home improvement.

The two groups see strong commercial logic in the deal. Both have a strong national position in manufacture for home improvement and energy conservation — Alpine for its double glazed windows and its self-heating shower units manufactured under the name of Dolphin showers.

Kean and Scott for its part largely comprises Sharps Bedroom Design, a company placed into Kean and Scott by Mr Ashcroft on flotation on the unlisted securities market.

Sharps has built up a strong national market for its custom built bedroom furniture.

Sharps and Alpine also have complementary geographical spreads. Sharps, with five factories and 41 retail showrooms, is strongest in the north and west of England. Alpine, by contrast, is much stronger in the south east and is a suitable vehicle for expansion by Sharps into the region.

Alpine stands to gain not just because of Sharps' strength in the north, but also through the large string of retail outlets which Mr Kanter expects will greatly enhance the groups operations away from the home counties.

The deal comes after two drab years for both companies. Kean and Scott announced pre-tax losses every year between 1978 and 1982. But in the 12 months to December 1982, Sharps, its principal trading subsidiary, reports pre-tax profits of £814,000. The loss in the comparable period in 1981 was £111,000.

In the bid statement, Kean and Scott also forecasts pre-tax profits for the year ahead of at least £2m, and many brokers will be looking for a figure of nearer £3m.

Alpine reported profits in the year ending in January 1982 of £1.12m—down from £1.28m in the comparable period in 1981. But unaudited interim results for the 27 weeks to August 8 last year show an improvement—pre-tax profits of £676,000, compared with £502,000 in 1981.

It is a condition of the offer for Alpine that full profits for the year which ended just over a month ago will reach at least £1.8m.

Alpine's performance in 1982 will be depressed by an extraordinary loss of about £325,000 following the disposal of its loss-making subsidiary Dreamline. This company, which makes fitted bedroom furniture, was sold for just £950 to its managing director Mr George Warwicker in November last year.

Mr Kanter seemed unperturbed at the suggestion that it had disposed of a loss making bedroom furniture manufacturer only to acquire another one. What made the world of difference, he said, was that Sharps makes furniture to measure, at much lower costs than manufacturers supplying standard units. In addition, its performance had been enhanced by its string network of distribution outlets.

Mr James Gulliver, chairman of Alpine, who established his reputation building up the Fine Fare chain, has agreed to sell for cash his 9.3 per cent stake in the company, and is expected to resign.

Mr Gulliver is concentrating on developing his interests in Argyll Foods.

BOARD MEETINGS

TODAY

Interims—Fleet Holdings, London and Strathclyde Trust.

Finals—Bairstow Eves, British Vita, Camellia Investments, Davies and Metcalfe, S. W. Farmer, Hong Kong and Shanghai Banking, Mount Charlotte Investments, Oriflame International, Provident Financial, Rosedimond Investment Trust.

FUTURE DATES

Interims:—

Bluebird Confectionery	Mar 23
Bejam	Mar 17
Highland Distilleries	Apr 11
Mucklow (A. & J.)	Mar 17
Pilco	Mar 25
Thorpe (F. W.)	Mar 17

Finals:—

Arncliffe	Mar 17
BTR	Mar 16
Babcock International	Mar 30
Blackwood Hodge	Apr 16
Bronx Engineering	Mar 15
Canning (W.)	Mar 16
Cartwright (R.)	Mar 30
Comben	Mar 8
Erith	Apr 7
Fisher (James)	Mar 11
Gill and Duffus	Apr 13
Higgs and Hill	Apr 13
London Atlantic Inv. Trust	May 19
Macfarlane (Clansman)	Mar 29
Metal Closures	Mar 24
Mobns	Mar 28
Rowntree Mackintosh	Mar 16
Schroders	Mar 9
Sedgwick	Mar 10
Systems Designers International	Mar 16

Signal Life creditors elect liquidator

BY ERIC SHORT

CERTAIN bondholders with the failed Gibraltar-based life company, Signal Life Assurance, cannot expect much from the liquidation of the company.

This became apparent at yesterday's creditors' meeting held in London, when the Official Receiver, Mr Geoffrey Gillvray, explained the current situation of the company.

A petition to wind up the company was presented by two directors, Mr Patrick Curran and Mr Donald Ames, in November 1982 after legal action taken against the company by the Gibraltar authorities and the Hongkong and Shanghai Bank, which was trustee for certain bonds issued by Signal Life. The winding-up order was made on December 13, 1982.

Mr Gillvray explained that no statement of affairs had been submitted, and the investigators had not been able to acquire access to any records, papers or books of the company. Investigations had shown that the company did have certain assets, but Mr Gillvray was doubtful whether they had any value.

The creditors voted Mr Gerry Weiss, partner in the accountancy firm of Cork Gully, as liquidator. A three member committee of inspection was also appointed, including Mr John Potter, a bondholder.

After the meeting Mr Potter issued a statement pointing out that he was unhappy with the liquidation. He is seeking to form an investors committee, with the object of seeking reimbursement either from the Hongkong and Shanghai Bank or from the British Insurance Brokers' Association.

Scholes reports sharp rise in interim profits

BY OUR FINANCIAL STAFF

A SHARP rise in first half profits and an increased interim dividend is reported by George H. Scholes, manufacturer of electrical switch and fusegear, circuit breakers and accessories.

At the pre-tax level profits rose to £2.17m, which compares with £1.84m for the preceding six months and £1.27m for the first half of the previous year.

Sales, covering the period to end-December 1982, expanded to £10.74m, an improvement of £2.87m over the corresponding months of 1981, and the trading level there was a surplus of £2.08m against £1.24m previously.

The net interim dividend is being increased from 4p to 5p net per 25p share after allowing for last year's one-for-two scrip issue – a final dividend equal to 9.333p was paid for the 1981/82 year.

Tax for the six months took £1.04m (£523,000), leaving attributable profits £380,000 ahead at £1.13m from which interim dividend payments absorb £321,000 (£257,000).

State earnings per share rose sharply from 11.7p to 17.6p.

Jaeger opens Kilmarnock plant

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THE OFFICIAL opening by Jaeger of its Kilmarnock plant today marks an important step for the company, as it seeks to improve its share of the more expensive end of the clothes market.

Jaeger has always been associated with separates in its 60 shops in the UK. The Kilmarnock plant will be devoted to the production of dresses and while this may not seem particularly important for a company with sales of £70m it could be the start of an important development, according to Mr Harry Lack, 43-year-old director of Jaeger and managing director of its tailoring subsidiary.

In the two years since he arrived at Jaeger from Kurt Salmon Associates Mr Lack has been re-shaping the company's production strategy. The tailoring subsidiary has concentrated almost exclusively on separates and almost all its production of shirts, blouses, skirts and jackets has gone into Jaeger shops. Mr Lack is not only widening the range of clothes made by the company but is keen to sell his clothes under buyers' own labels outside the group.

Kilmarnock is a cautious step in this direction. The plant has a workforce of 35, but if the marketing strategy turns out to be satisfactorily founded the numbers will be increased.

Jaeger's first move towards diversification was taken before Mr Lack's arrival in the group, when it started to produce and sell men's clothes. These are still a relatively minor part of the company's business. Only one of the group's production plants, on the west coast of Scotland, is devoted to men's wear. Their importance lies in the diversity which they have given the group.

Dresses are an extension of this policy. "We have never been known as a dress house," Mr Lack says, "but we are moving that way. Adding dresses to our range is not just a matter of putting something extra in the shops but also of making ourselves more competitive in seeking outside markets.

"There are a large number of buyers who want a range of clothes for their staff. We have been having talks with an airline, for instance, where the clothes not only have to be smart but functional."

Producing own-label clothes is a logical extension. Probably 90 per cent of Jaeger's tailoring output goes directly into the Jaeger shops. "I would like to see this reduced. It should not fall below, say, 75 per cent but it is bad for the company that the production arm should be tied so closely to the retail outlets."

Mr Lack has been helped in shaping the new strategy productivity improvements in the company's factories in Alloa, Ipswich, Burgess Hill, Plymouth and an existing one in Kilmarnock.

Coats Patons which owns Jaeger 100 per cent, has been putting a lot of money in the past few years into the modernisation of Jaeger's production plants. Computers are being used to control costs, delivery, fabric ordering and design, with the result that one of the Scottish factories alone increased its productivity by 15 per cent last year.

The result has been more than the shops can handle. It is this surplus that has given Mr Lack the opportunity to talk to buyers abroad about own-label goods.

He has been helped surprisingly, and almost paradoxically, by the great interest in the U.S in-named brands. American stores and American buyers place great emphasis on names such as Klein, Quant, Gucci, St Laurent, and Burberry. But frequently "name" clothes are sold at a discount within a few weeks of the start of the season.

What American store buyers are now looking for are ranges exclusive to them, on which they can put their own store labels and so hold the price throughout the season.

Jaeger's first step was to link with L'Innovation in Brussels. More recently, Mr Lack has signed an important deal with Holt Renfrew in Canada.

"There is no way in which I would allow this strategy to harm Jaeger. But we have become immensely competitive in the last two years and it is this which has allowed us to look further than our own shops."

RESULTS IN BRIEF

■ FELIXSTOWE TANK DEVELOPMENTS
Bulk storers and transport

Year to Oct 2	1982	1981
	£	£
Sales	1.60m	1.36m
Pre-tax profit	–	–
Tax	211,984	150,365
Attributable profit	428,272	433,157
Earnings per share	42.8p	43.3p
Dividend	14.5p	14.5p

■ WILLIAMS HOLDINGS
Founders

Year to Dec 31	1982	1981
	£	£
Sales	5.61m	8.79m
Pre-tax profit	315,000*	996,000*
Tax	–	135,000
Attributable profit	1.32m*	861,000*
Earnings per share	9.27p*	25.32p*
Dividend	–	–

* Loss

■ JOSEPH HOYLE & SON
Wool spinner and cloth

Half-year to Sept 25	1982	1981
	£	£
Sales	1.99m	1.76m
Pre-tax profit	31,502*	43,513
Tax	750	750
Attributable profit	–	–
Earnings per share	4.25p*	5.13p
Dividend	–	–

* Loss

LONDON RECENT ISSUES

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or –	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	—	145	132	✣Airship Inds	142xr	...	..	—	—	
112	F.P.	16/3	147	129	Assoc. British Ports	147	+2	b7.0	1.8	6.8	15.9
‡100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	.....	..	..	..	...
§74	F.P.	21/1	158	108	✣Conver moor	155	–1	b5.64	8.0	5.8	15.1
11	F.P.	—	220	205	✣Grainger Trust	215	.....	u3.8	2.5	2.5	20.5
§38	F.P.	8/4	112	80	✣HB Elect Comps 10p	93	+2	u1.12	5.2	1.7	20.9
‡120	F.P.	4/5	388	305	✣Microgen	385	+15	b4.0	2.9	1.7	27.6
‡155	F.P.	7/1	256	198	✣Munford & White	225	—	b2.6	2.4	1.7	35.6
§93	F.P.	4/2	198	145	✣Resource Tech. 10p	158	.....	—	—	—	30.4
‖	F.P.	—	110	83	✣Sinclair (Wm.)	86	.....	§4.25	1.0	7.2	20.8
‖	F.P.	—	105	5	Do. Defd.	75	–2	—	—	...	—
175	F.P.	25/3	303	253	Superdrug Stores 10p	263	–2	bd3.6	2.4	1.2	31.1
120	F.P.	—	125	100	✣Swindon Priv Hos £1	105	.....	—	—	—	—
§10	F.P.	11/5	29	22	✣Tele.Services Int 10p	24	+½	b0.2	3.3	1.2	36.7
§72	F.P.	30/3	107	89	✣Utd. Packaging 10p	101	.....	b2.5	3.2	3.5	10.7
§150	F.P.	18/2	340	265	✣WightCollinsR. 5 10p	280	+5	bd2.75	3.5	1.4	31.2
—	F.P.	3/3	25	20	Yorks & Lancs. W'rnts.	20	.....	—	—	...	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or –
97.504	F.P.	4/3	102	98¼	BOC 12¼% Uns. Ln. 2012-17	94½xd	–1
99.431	£20	10/4	21⅞	12	Birmingham 11½% Red. 2012	16½	+¼
••	F.P.	—	224p	180p	Electro-Protective 7% Cnv. Prf.	188p	+2
7,183	£25	—	25½	24¼	Hambros Inv. 6-17% Stpd. Deb. 2018	25½	+½
¶	F.P.	29/7	100½	100	Mid Sussex Water 7% Red. Pref. '88-90	100¼	.....
—	—	—	100¼	29	Nationwide Bdg. Soc. 11⅞% Bds. 25/1/84	100¼	.....
—	—	—	100½	100	Do. 11⅞% Bds. 13/2/84	100½	.....
97.174	£25	6/5	28	22	Pearson (S) 13% Uns. Ln. 2007	28	+1
96.55	£25	8/7	60¼	23½	Sweden 13½% Ln. Stk. 2010	30¼	+1

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or –
260	F.P.	26/2	28/4	524	275	AGB Research 10p	524	+7
140	Nil	—	—	12½pm	8pm	✣Airship Inds.	9pm	.....
280	Nil	—	—	94pm	85pm	Applied Computer	85pm	.....
6½	Nil	4/3	28/6	16½pm	0pm	Audiotronic 2½p	16½pm	+2
50	F.P.	8/2	8/3	55	45	Cluff Oil 'B'	45	.....
75	F.P.	7/6	15/3	105	85	Dominion Int. 20p	96	–1
163	Nil	11/3	10/6	20pm	0pm	Geers Gross 10p	12pm	.....
90	F.P.	21/2	7/4	150	130	Grosvenor Group	155	–5
60	F.P.	14/1	11/2	72	65	ICL	77	+1
46	F.P.	14/2	11/5	61	61	LCP	61	.....
25	Nil	—	—	4pm	3pm	Metboy	3pm	.....
27	F.P.	31/7	7/4	65½	52	Mount Charlotte 10p	54½	.....
A$1.50	Nil	—	—	57pm	44pm	North B. Hill 50c	57pm	+1
28	F.P.	7/2	31/6	122	106	NSS News 10p	120	.....
60cts	Nil	11/3	—	2½pm	¼pm	Rand Lon. Corp. 15cts	¼pm	.....
58	F.P.	6/2	22/4	71	61	Stakis 10p	71	.....
400	F.P.	4/6	22/4	490½	426	Ultramar	445	+5
81	Nil	—	—	61pm	26pm	Valor	31pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. u Assumed dividend and yield. ¤ Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. 1 Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Romai Tea edges ahead to £0.36m

Taxable profits of **Romai Tea Holdings** edged ahead from £344,000 to £359,000 for the year to June 30 1982 from turnover of £2.82m, compared with £2.45m.

As predicted in the interim report the dividend for the year is being maintained at 22.5p from stated earnings per £1 share of 55p (41.98p). Tax was down from £178,000 to £159,000 and at the attributable level there was a surplus of £174,000 (£153,000).

As indicated last October **Williamson Tea Holdings**, in which Romai Tea has a 42.21 per cent interest, returned lower profits for the year to June 30 1982. The pre-tax figure emerged at £1.98m, compared with £2.46m the previous year, but the dividend is held at 12.5p per £1 share.

Turnover was lower at £24.17m (£26.12m). Tax took £1.33m (£1.7m) leaving attributable profits at £327,514 (£422,022), equal to stated earnings per share of 23.89p (28.13p).

TV South chairman optimistic

Independent television contractor **Television South** has two main tasks for the future: to consolidate and build on the work already being carried out and to prepare for the vast new opportunities ahead, Lord Boston of Faversham, chairman, tells shareholders in his annual statement.

As reported on February 1, the company made taxable losses of £1.09m in its 17 months of operations to October 1982, which included profits of £2.13m for the broadcasting period from January to October.

Current levels of advertising revenue remain satisfactory even though the company has been denied significant revenue on Channel 4, due to the dispute between the Institute of Practitioners in Advertising and the actors' union Equity.

Lord Boston says that in building on its existing work the company is dependent on a secure financial base and the maintenance by the regulatory authorities of a sound environment for programme making.

On the new opportunities that lie ahead he says the industry is entering an age of expansion and great change. It is likely the company will be operating in a more competitive environment but perhaps with greater freedom. TVS is well placed to meet the challenge of this era, he adds.

At the end of the accounting period shareholders' funds stood at £5.98m, and loan stock at £6m. Fixed assets were valued at £12.97m, current assets came to £20.5m and current liabilities to £19.74m. During the 17 months there was a decrease in working capital of £508,000 including a fall in bank balances of £4.85m.

SEDGWICK BUYS REST OF SINGEL

BRITAIN'S largest independent insurance broker, **Sedgwick Group**, has exchanged contracts to acquire the outstanding 40 per cent minority interest in **Singel Groep Schlencker BV**, one of the largest insurance and reinsurance broking and underwriting agency groups in the Netherlands. No purchase price has been disclosed.

Sedgwick has owned a 45 per cent interest since the merger between OWJ Schlencker BV and Singelgroep BV and increased its interest to 60 per cent in July 1982.

FT Share Information

The following securities have been added to the Share Information Service:

ASEA AB (Section: Electricals). **Admiral Mines** (Mines—Miscellaneous). **Alva Investment Trust** (Investment Trusts). **Balmoral Resources** (Mines—Australian). **Highgate Optical and Industrial** (Industrials). **Tops Estates** (Property).

BIDS AND DEALS

Marchwiel reduces stake in Westminster Property

Marchwiel, holding company for the Sir Alfred McAlpine building and civil engineering group, has sold 1.57m shares in **Westminster Property Group**, equivalent to 5.8 per cent of its equity.

The shares were not sold to Saint Piran, the mining and housebuilding group run by Mr Jim Raper, said Mr J. Walker, Marchwiel company secretary. He declined to comment on the identity of the buyer.

Piran last month made a tender offer for Westminster shares aimed at taking its holding to 29.9 per cent from 23.61 per cent.

Mr John Blunden, company secretary of Westminster, confirmed that Piran had been successful with its tender.

"They have achieved what they set out to do although I have not seen anything official," he added.

Marchwiel retains a holding of 679,766 shares or 2.5 per cent in Westminster.

Holec Energy buy-out

Holec Energy, a Horsham, Sussex-based manufacturer of energy control equipment, has been bought out by its management with the backing of a Midlands investment trust.

Holec, now *renamed* Trend Controls, has been acquired by its five-man management team headed by Mr Pierce Malony, the chairman and managing director.

Together with Sharp Unquoted Midlands Investment Trust (SUMIT), they have put up "in excess of £300,000." The managers hold 72.5 per cent of the equity and SUMIT the rest.

Holec, a publicly-quoted Dutch group based in Utrecht, decided to concentrate on its heavy electrical equipment business in the Netherlands, said Mr Andrew Vickerstaff, Trend's finance director.

Holec established its UK operation two and a half years ago. Trend now employs 35 people and expects to achieve turnover of £1.5m in the year ending December 1983. It plans to increase its previously limited export activities with emphasis on the Far East.

COPE ALLMAN

The **British Car Auctions Group** has purchased 300,000 **Cope Allman International** shares at 57½p each on behalf of certain members of *Dowable*. Persons acting in concert with Dowable, which has approached Cope Allman about making an offer for the ordinary, now control 4,475,000 shares—approximately 11.3 per cent.

HAMMERSON

Hammerson Property Investment announces that approval has been obtained from the Australian government treasurer for the acquisition of the mortgage and minority equity interests held by the Australian Mutual Provident Society in certain of the company's Australian subsidiaries.

The acquisition, details of which were contained in a letter dated December 12, has been completed and 1,102,135 ordinary shares and 3,935,050 A ordinary shares (together representing 7.41 per cent of company's issued capital) have been alloted and issued to Australian Mutual Provident.

GRESHAM TRUST

Gresham Trust has subscribed £250,000 for a 30 per cent stake in Amida Systems, a computer business. The funds will help *Amida*'s planned expansion over the next two to three years.

Amida's turnover in 1982 reached £1.1m with profits of £86,000 and the group is aiming for sales of £3m in 1983 with profits in excess of £250,000.

The group supplies complete business computer systems, based on Amida's own software and three compatible ranges of hardware.

MELLINS

Following the announcement on February 22 of Mr T. Suleyman exercising his full rights under his option agreement with the Taubman family, Mr E. Taubman, a director, now holds 190,500 ordinary shares in Mellins and 60,000 7 per cent preference shares (held through Super Investments), Mr B. D. Stacey, a director, holds 42 ordinary and 10.7 per cent preference. With sale by Super Investments of all ordinary shares, the holdings of Mr R. S. Taubman and Mr M. M. Taubman are below 5 per cent of ordinary shares. The Holdings of Mr N. Glasman, Mrs G. Taubman and the estate of J. I. Taubman are all below 5 per cent.

SHARE STAKES

More O'Ferrall—Throgmorton Trust has sold 40,000 ordinary shares reducing holding to 1,609,052 shares (7.82 per cent).

Trafalgar House — Nigel Broackes, chairman, under an executive share option scheme, has sold 78,482 ordinary shares and now holds 4,040,776 shares.

Tesco Stores (Holdings)—P. Temple, a director, has exercised an option over 50,000 ordinary shares.

Sainsbury's—R. T. Vyner, a director, has sold 25,756 ordinary shares.

Meyer International—Tom M. Meyer director sold 25,000 ordinary. E. J. Newgas director sold 6,200 ordinary.

Munton Brothers—Mr Carlton, director, disposed of 100,000 ordinary reducing holding to 194,670 (1.65 per cent).

Henry Ansbacher Holdings—Mr Sykes, director, sold 85,400 ordinary reducing holding to 684,600.

London and Provincial Shop Centres—B. S. Berrick, joint managing director, disposed of 35,000 ordinary reducing holding to 2,985,185.

Unilever — Guardian Royal Exchange Assurance acquired 75,000 20 per cent 3rd cum pref ordinary increasing holding to 217,500 (21.79 per cent).

Plastic Constructions — Trustees of the Henry Aron Settlement sold 25,000 ordinary shares. Henry Aron, chairman and joint managing director sold 50,000 ordinary.

Rights and Issues Investment Trusts—Energy Finance and General Trust Holdings sold 25,000 ordinary shares and now holds less than 5 per cent of that particular class. A company owned by E. D. Barkway has sold 10,000 ordinary and E. D. Barkway is now the owner of 178,950 shares.

Henlys—A. G. Ball, a director, disposed of 15,000 ordinary reducing holding to 30,000 shares.

Associated Sprayers—R. W. D. Beney, director, sold 60,110 ordinary. H. C. Cottereel, director, sold 12,000 ordinary. J. A. Crofts, director, sold 22,000 ordinary.

Greencoat Properties—Amec's subsidiary Fairclough Construction group, on March 4 acquired a further 250,000 ordinary shares, increasing its holding to 7,978,353 shares (19.14 per cent).

F. H. Lloyd Holdings—Lloyds Bank Staff Pension Funds Nominees has purchased 500,000 ordinary shares making holding 1,884,250 shares (7.83 per cent).

Portsmouth and Sunderland Newspapers — Chairman, Sir Richard Storey, has sold 255,000 ordinary stock units which reduces his holding from 20.45 per cent to 18.32 per cent.

Bespak — Friends' Provident Life Office interest increased by 230,000 shares. Total holding of the office and its subsidiaries is Friends' Provident Life Office 250,000 and Friends' Provident Managed Pension Funds 450,000 (6.67 per cent).

Porter Chadburn—G. M. Firth acquired 260,00 ordinary and now holds 410,000 (12.68 per cent). Associates of Firth hold further 125,000 ordinary making total of 16.54 per cent.

English & International Trust — As a result of the sale of 100,000 ordinary shares Drayton Premier Investment Trust no longer has an interest in this company.

British Empire Securities Trust—Imperial Life Assurance Co of Canada has purchased a further 660,000 ordinary and is now beneficial owner of 4,307,373 ordinary (21.2 per cent).

English and International Trust—Equitable Life Assurance Society and its subsidiary University Life Assurance Society together hold 2,190,606 ordinary shares (21.19 per cent).

Stanelco—Tring Hall Securities has disposed of 417,966 ordinary shares and no longer have any holding in the company.

Cliff Oil—Finance for Industry following a rights issue, is now interested in 2,929,341 "B" ordinary shares (24.29 per cent) and 12.15 per cent of the issued capital.

The Anglo Indonesian Corporation—Jazerite Holdings and International Investment Trust Company of Jersey are interested in an aggregate of 340,067 ordinary shares (7.26 per cent).

Associated Paper Industries—Throgmorton Trust has reduced holding to 4.88 per cent by selling 191,633 ordinary shares, and now holds 700,000.

Arrow Chemicals (Holdings)—Mr J. K. Arrow, former chairman and director, has sold 300,000 ordinary shares reducing holding to 529,072 shares (8 per cent).

Inco sees improvement in second six months

BY GEORGE MILLING-STANLEY

THE FINANCIAL performance of Canada's Inco will remain depressed in the first half of this year, but should improve significantly in the second six months, assuming better economic conditions, according to the annual report.

The struggling nickel giant said it expects a modest recovery in economic activity this year. A net loss of US$204.2m (£136m) was recorded in 1982, when nickel demand was almost one-third lower than the peak, registered in 1979.

Inco spent US$20m on research and development last year, down from $23m the year before. The application of recent research boosted platinum recovery at the Ontario division by 5 per cent before the plant was closed indefinitely in July.

Spending on exploration dropped to $13m from $25m in 1981. Inco disclosed that the discovery of gold deposits is a primary target, with a view to achieving some degree of diversification away from the heavy dependence on nickel.

Long-term debt at the year-end stood at $1.13bn, marginally higher than the previous year. Interest charges absorbed a total of $129.1m, up from $119.8m in 1981.

Inco said it expects no material change to the write-off it took in 1981 against the value of its battery interests. At the time, the group estimated the net realisable value of the business at $205m. Most of the operations have been sold on a piecemeal basis over the past 12 months.

A similar picture is emerging at Noranda Mines, another of Canada's leading natural resources groups.

Noranda believes that a recovery in commodity prices will help the group at least to break even this year, in contrast to 1982's net loss of C$82.9m (£45m).

Metal prices are rising faster than expected, and a sustained recovery in aluminium and timber prices will help significantly.

Noranda has cut its overheads by closing several of its base metal mines, with the remainder operating at reduced capacity. In addition, capital spending this year will be under C$400m, less than half last year's level.

For the future, Noranda has just opened a small gold mine in California, and has its potentially exciting gold mining and milling operations in the Hemlo area of north-western Ontario.

Japan cuts coal import prices

THE over-supply position in the world coal market has now reached the stage at which sizeable price cuts are being accepted by foreign suppliers of coal to Japan. The cuts are appearing in contracts for delivery in the fiscal year which begins next month.

U.S. suppliers are taking price reductions of between $10 and $12 per ton for coking coal. Prices for high volatile coal average $55 (£36.36) per ton fob, about 18 per cent less than those for the year now ending.

According to industry sources, the Americans are accepting the lower prices in order to maintain sales volumes as far as possible. Despite this, their Japanese orders for fiscal 1983 are 5m tons down at 12m tons.

South African members of the Transvaal Coal Owners Association are being similarly pressed. They have agreed to reduce 1983 prices of coking coal shipments to Japan by 22 per cent to $44.50 per tonne. Shipments will be reduced to about 2m tonnes from 2.3m tonnes.

Inevitably these reductions will influence the current negotiations in Tokyo between the Australian coal shippers and the Japanese importers, especially as Australian coal has already lost its competitive edge.

Last year Mr Grahame Mapp, chairman of Australia's Oakbridge group, warned of the erosion of the competitive position of Australian coal producers as a result of strikes, wage inflation and Government charges.

He said that on a cif basis, coal to the value of 1m Btu exported from South Africa to Japan had been estimated to cost the buyer about $1.30 compared with $2.20 for the equivalent export from Australia.

Kidd Creek £20m deficit

LOW DEMAND and depressed prices gave Canada's **Kidd Creek Mines** a net loss of C$37.3m (£20m) last year, on sales of S$324.3m. The net loss in the fourth quarter was C$8.1m, reports **John Soganich** in **Toronto**.

No comparisons with previous periods are given, as Kidd Creek did not exist in its present form until last year. The company is a wholly-owned subsidiary of **Canada Development Corporation**, and basically comprises the metals division of the former **Texasgulf of Canada**.

Kidd Creek owns the big copper, zinc, silver and gold mining, milling, smelting and refining complex at Timmins in north-eastern Ontario, a 40 per cent interest in the **Allen** potash mine in Saskatchewan and a wide-ranging hard-rock mineral exploration programme.

The company hopes for an improvement in this year's results partly because of higher metal prices, and because it will feel the full effect of cost-saving measures undertaken last year.

Go-ahead for expansion at Mount Isa

AUSTRALIA's **MIM Holdings**, which seems to be making a more rapid recovery from its recent problems than most other mining companies, is to go ahead with planned expansion at the Mount Isa mine in Queensland.

Mr Bruce Watson, managing director, said that a A$54m (£34m) project to increase capacity at Mount Isa's Mica Creek power station in response to increased demand will also enable the company to proceed with future mining projects.

These projects include taking the Isa mine's deep shaft down into the 3,000 and 3,500-foot orebodies, the Hilton trial stoping programme and further development work in the southern orebodies.

Mr Watson said that **Babcock Australia** would be responsible for boiler installation at the power station, and **Mitsui Australia** for the supply and installation of a Toshiba generating set.

Alhambra share placing

A PLACING on the London market of 3m shares of the U.S. **Alhambra Mines** has raised $9m (£5.95m) for the Delaware company which operates gold mines in California. It is acquiring for $6m the Gold Run alluvial gold mine.

Covering a large surface placer deposit, Gold Run's estimated mining costs are put at $150 per ounce of gold extracted. It can be worked at a rate of 10,000 tons of gravel per day and has a life expectancy of 30 years, it is stated.

The new shares are not registered under the U.S. Securities Act and thus cannot be sold there. Alhambra's directors intend to seek a broader market and may establish a new holding company which would seek a London listing.

International round-up

THE DATE for a hearing on the dispute between Canada's **Lac Minerals** and **Noranda Exploration** has been set for March 16.

The dispute covers several key claims in the Hemlo gold district of north-west Ontario, and will be heard before the mining recorder of the Thunder Bay mining division.

Noranda said that a detailed report from the mining claims inspector indicates "nothing terribly wrong" with the procedures used by the group when it re-staked three claims optioned from Goliath Gold Mines and Golden Sceptre Resources.

Part of the disputed ground contains the big Golden Giant deposit, on which Noranda plans to open a mine.

* * *

Brenda Mines, controlled by Noranda Mines, lost a net C$9.6m (£5.2m) in 1982, compared with profits of C$4.3m in the year before.

The poor results reflected unprofitable prices for copper and molybdenum. The company did, however, manage to record a profit of C$1m for the fourth quarter, as prices improved.

* * *

Echo Bay Mines, which operates the new Lupin gold mine in Canada's Northwest Territories, made a net profit of C$1.1m (£600,000) in the closing three months of 1982, reducing the loss for the full year to C$47,000.

The company made net profits of C$926,000 in 1981, when it derived its income from silver mining at Port Radium, about 200 miles west of the Lupin mine.

Echo Bay, controlled by the diversified U.S. services group **IU International**, said it expects a substantial increase in profits this year, with gold output at about 128,000 ounces.

A public issue of about 10 per cent of Echo Bay, expected to raise some C$25m, was recently postponed until the gold price stabilises.

Thai mining industry depressed

THAILAND'S mining industry, which has dropped from second to fifth place since 1980 in the list of the country's leading earners of foreign exchange, had another depressing year in 1982, according to figures issued by the Department of Mineral Resources.

Jonathan Sharp reports from Bangkok that exports of all ores were valued at Baht 9.7bn (£280m) last year, down by 17.8 per cent from the already depressed level of 1981.

The number of mines in operation fell 5 per cent to a total of 922, employing 35 per cent fewer workers.

Tin accounts for about four-fifths of Thailand's mineral exports, and last year's output was down 17 per cent to 35,644 tonnes. Exports fell 18 per cent to 26,000 tonnes.

Tin producers have long been complaining to the government about the royalties levied on tin production, claiming that the charges are considerably higher than in neighbouring Malaysia.

The companies say the government is being shortsighted in maintaining heavy royalties, as they only encourage large-scale smuggling of tin ore, but the authorities have so far resisted pleas for the royalties to be lowered.

CONTRACTS

KING TAUDEVIN AND GREGSON is to supply furnace design under a £95,000 contract placed by central buyer Metrimpex on behalf of Hungarian glassworks. The furnace will be sited at Orashaza in eastern Hungary, close to the Rumanian border, and will melt flint container glass at the rate of 260 tonnes a day. KTG is to supply all design, supervision during erection and commissioning and provide training facilities through Rockware International.

*

A contract for 50 safety relief valves has been won by **IMI BAILEY BIRKETT** for the British Gas Corp. development of the Morecambe gas field. The valves, worth over £60,000, are being supplied for use on three drilling platforms. They are all Birkett WB series spring-loaded, full-nozzle, full-lift safety relief valves. Due to the demanding nature of the service fluids and the aggressive external conditions, the valve bodies are cast in corrosion resistant alloy steels or non ferrous metals.

*

GEC INDUSTRIAL CONTROLS has orders from the Central Electricity Generating Board for nine excitation control systems for main line turbine-generators at Didcot, Blyth, Agecroft and Cottam power stations. Total value of these orders is over £400,000. Delivery of all nine systems will be completed by June.

*

GODDARD EXPORT SERVICES, Harrogate, has been awarded a £200,000 contract by the Emirates National Sack Factory of Abu Dhabi for the design, supply and installation of the wiring, cabling, lighting, switchgear and distribution boards for all factory buildings. The Emirates National Sack Factory is expected to come on stream by the end of April and will be producing woven polypropylene sacks. T. Clarke (Leeds) is the main supplier and contractor to Goddard Export Services.

Senior executive to leave Thomas Cook

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

MR DEREK CHAPMAN, the group managing director in charge of travellers and foreign currencies at Midland Bank's Thomas Cook subsidiary, has resigned. He is the seventh senior executive to leave Cook since last October.

Mr Chapman leaves in May and he will be replaced by Mr Michael Brocksom, at present Cook's finance director.

In October Cook dismissed more than 120 staff, including six top executives, in a shake-up designed to reduce costs. Mr Alan Kennedy, chief executive of Cook, said at the time that there was no crisis, but he admitted the company was "having a difficult time."

Mr Kennedy said one major problem was the likelihood of a £3.5m provision against possible losses in connection with the collapse of a Saudi Arabian money-changer with which Cook had been dealing.

Mr Kennedy yesterday insisted that the departure of Mr Chapman as group managing director for cheques was amicable. Mr Chapman, who is 50, has been with Cook for about four years.

Mr Kennedy said Cook has now developed a new strategy and is placed for "recovery." He cited as an example of the new approach the group's new ties with MasterCard International, the worldwide payments systems group which is involved in the Access credit card operation in the UK.

Last night Mr Chapman said his resignation was related to Cook's new links with MasterCard. He said travellers cheque policy would be guided by MasterCard president Russell Hogg in New York and as a result "that doesn't leave a big enough challenge for me."

British-American Tobacco finance director

Mr David G. Heywood has been appointed a director of BRITISH-AMERICAN TOBACCO COMPANY. He was finance director of BAT (UK and Export), BAT's operating company responsible for the UK market and tobacco product exports from the UK. On August 1 he will become finance director for British-American Tobacco in succession to Mr **N. W. Goddard**, who will retire on July 31.

*

Mr Ken Davidson has been appointed managing director of NORMAN FRIZZELL UK, commercial insurance broking subsidiary of The Frizzell Group. He joins from C. T. Bowring, where he was chief development executive of Bowring UK.

*

Anticipating Mr Alec Hayward's retirement later this year, the posts of chairman and managing director of the CROWN CORK COMPANY are divided. **Mr Alec Hayward** remains chairman and **Mr Michael J. G. Syme** joins the company as managing director. Mr Syme was a director of the Crown Cork and Seal Corp. of Canada, and was executive assistant to the president.

*

Mr Roger Reeson has been appointed meat director of INTERNATIONAL STORES, to develop the company's fresh meat operation. He joins International after eight years with Keymarkets, initially as retail meat controller, then director of fresh foods.

Mr Ken Davidson, managing director of Norman Frizzell UK

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Mr J. T. Harrison, who is controller of IMPERIAL CHEMICAL INDUSTRIES, has been appointed a deputy treasurer in addition to **Mr J. A. Donaldson**. **Mr B. D. Romeril**, an assistant treasurer, has been appointed controller.

*

Mr Bob Sutcliffe, formerly chief accountant at MSL CALIBRATION CENTRE, Hitchin, has been appointed company secretary.

*

Mr John Thompson Newton has been appointed to the board of OVERSEAS CONTAINERS. His appointment is effective from April 1. Mr Thompson joined OCL in 1967 and held various managerial positions. In 1979 he was seconded as managing director of the Bank and Savill Line. Two years ago he returned to OCL as general manager of the newly-formed fleet management division.

*

Mr Clive J. Steiner has become a director of Financial Selection Services, a recruitment company; **Mr Brian Cognet** and Mr Steiner have been appointed directors of CSA Computers; and **Miss Desiree Hamstead** and Mr Steiner have been appointed associates in a corporate research counselling and financing group —all part of CLIVE STEINER ASSOCIATES.

*

Mr Dennis Nisbet has been appointed associate sales director of MASSTOR UK, a subsidiary of Masstor International.

*

Mr Andrew Gay, previously deputy managing director, has been appointed managing director of MARPLES RIDGWAY CONSTRUCTION, a Bath and Portland Group company.

*

Mr Roy Crabbe has been appointed managing director of WOCOM SECURITIES (EUROPE), the newly-formed associate company of the Wing On Group of Hong Kong. Mr S. Y. Lee continues as managing director of Wocom Securities in Hong Kong.

*

Mr Ashley R. G. Raeburn, has been elected a non-executive director of AMALGAMATED METAL CORPORATION.

*

Mr R. B. Stoker has retired from the board of the PORT OF MANCHESTER. **Mr G. R. A. Harris** and **Mr C. A. Boyle** have been elected to the board. Mr Harris is manpower director.

*

ALEXANDER DUCKHAM AND CO. has appointed **Mr Keith Martin** as divisional director, retail market. He was formerly marketing manager of Sealand Petroleum. He succeeds **Mr Alf Poppee**, who has taken up an overseas appointment. **Mr J. Brian Hudson** has been appointed divisional director, international market. He succeeds **Mr Roland Berg**, who has taken up an overseas appointment.

*

Mr Bryce Knox, at present a commissioner of Customs and Excise, is to be a deputy chairman of CUSTOMS AND EXCISE from March 7.

*

Wickes Europe Inc has appointed **Mr Anthony H. Stafford** as managing director of UK subsidiary, WICKES BUILDING SUPPLIES. He was managing director of Olympus Sportswear, and succeeds **Mr Richard E. T. Clark**, who becomes chief operating officer for Wickes Europe. **Mr Michael Corner** is appointed legal adviser and company secretary of Wickes Europe. He joins the company from Tioxide.

*

Mr David Hardman has been appointed deputy managing director of GODFREY DAVIS EUROCAR. For the last six years he has been director, commercial operations. Godfrey Davis Europcar is a subsidiary of Europcar International.

*

Mr Charles L. Daly, recently a director of Ultramar Golden Eagle and vice chairman of the International Petroleum Exchange, has been appointed managing director of L. M. FISCHEL & CO. from April 1. **Mr John Fischel**, chairman and managing director of the company since 1966, will relinquish the position of managing director but continue as chairman.

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CORRECTION

Sir Brooks Richards has been appointed chairman of CSM EUROPEAN CONSULTANTS, a wholly-owned subsidiary of CSM Parliamentary Consultants to succeed the late **Sir Geoffrey de Freitas**. He has also been appointed a director of CSM Parliamentary Consultants. Sir Brooks was deputy secretary to the Cabinet Office.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		March Vol.	March Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
D FL C	F.265	27	1.50				-	F.264
D FL P	F.260	1	0.40	1	5		-	„
D FL P	F.265	31	2	77	2			„
D FL P	F.270	2	5.50			-		„
D FL P	F.275	80	30	-	..	—	-	„
		May		Aug.		Nov.		
GOLD C	$375	1	66		—			$423.50
GOLD C	$400	31	45.50		-	-		„
GOLD C	$425	14	30	5	50	-	-	„
GOLD C	$450	154	20	72	40		-	„
GOLD C	$475	83	16	16	30	96	43	„
GOLD C	$500	99	11.50	65	24	1	42	„
GOLD C	$550	126	5.10	30	16		—	„
GOLD P	$350	121	6		-			„
GOLD P	$375	181	9	-				„
GOLD P	$400	149	15	9	20 A			„
GOLD P	$425	72	24	13	28		-	„
GOLD P	$450	2	37	3	45		-	„
GOLD P	$475	-		2	59			„
GOLD P	$500		-	3	80 B	-	—	„
12¼ NL 81 87 91								
C	F.125	6	10.50				..	F.135.70
C	F.127.50	16	8.20					„
C	F.130		—	20	6.50 A	68	7.50	..
C	F.135	46	2.20			60	3.50	„
C	F.140					38	2.40	..
P	F.130	10	0.80	-	—	-	-	„
10¼ NL 80 86 95								
C	F.110	5	6.50		-	-		F.116.50
C	F.115		-	100	3.80		-	„
P	F.115	-	--	100	2	—	—	„
11¼ NL 82 88 02								
C	F.115	407	3.60			-		F.118.10
C	F.117.50	10	1.00		..	18	3.20	„
10 NL 82 11 86-89								
C	F.110	18	3.10	-		—	-	F.112.80
C	F.112.50	10	1.40	22	2.10	—	-	..
C	F.115	30	0.50	--	-	-	--	„
7¼ NL 82 62.23								
C	F.100	105	2.30	30	3.40	—	—	F.101.40
C	F.102.50	20	1 A	—	—	-	—	„
P	F.102.50	10	1.70	—	—	—	—	„
7¼ NL 83 67 90								
C	F.100	-		7	2.50	—	—	F.100.50
C	F.102.50	41	0.50	—	—	..	—	„
		April		July		Oct.		
AKZO C	F.40	67	14	90	14	168	14	F.54.30
AKZO C	F.45	111	8.50	—	—	-	—	„
AKZO C	F.50	195	5.90	123	6.60 A	81	8	„
AKZO P	F.35	75	0.20	—	-	—	.	„
AKZO P	F.45	475	0.30	134	1.70	—	.	„
AKZO P	F.50	107	1.80	—	—	—	-	„
AMRO C	F.45	100	8.50	-	—	..		F.54
AMRO C	F.50	144	4.80	105	6.80 A	67	7	„
AMRO C	F.55	96	3.40	126	4.40	—	—	„
GIST C	F.140	128	7	—	-			F.137.50
HEIN C	F.100	84	27.50	-	—	—	-	F.127.60
HEIN C	F.110	112	17.50	149	16		.	„
HEIN C	F.120	275	9.20	222	11	--	--	„
HEIN P	F.80	125	0.10	—	-	—	.	„
HEIN P	F.120	89	1.80		..	—		„
HOOG C	F.22.50	152	3.50	—	—	158	5.60	F.24
KLM C	F.150	63	18		—		.	F.167.50
KLM C	F.160	234	13.50	-	--			„
KLM P	F.150	84	2.60	—	-	—		„
KLM P	F.160	94	4.80				.	„
PHIL C	F.30	191	6.20	152	6.3	54	7.50	F.36
PHIL C	F.32.50	258	4	370	5	39	5.30	„
PHIL C	F.35	559	2.60	385	3.60	654	4.50	„
PHIL C	F.40	1157	1.10	547	2	460	9.90	„
PHIL P	F.32.50	45	0.50	75	1	65	1.60	„
PHIL P	F.35	02	1.20 B	147	1.80	79	2.40	„
RD C	F.80	85	17.50 A	-	..	-		F.96.60
RD C	F.90	65	0	33	10.50	-	—	„
RD C	F.100	387	3.50	149	5.50	29	6.60	„
RD C	F.110	115	1.30	417	2.80 A	9	3.70	„
RD P	F.80	110	0.20	1	1.10		.	„
RD P	F.90	57	0.90	84	2.70	25	4.40	„
UNIL C	F.200	296	11.30	92	15.50	38	18 A	F.209
UNIL C	F.220	153	4	137	7.70	14	10 A	„

TOTAL VOLUME IN CONTRACTS 16,811

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 318)	260	60	—	—	3	—	—
„ „	280	30		—	6	—	—
„ „	300	24	34	44	12	38	22
„ „	330	8	17	26	02	36	40
„ „	360	2	8	—	62	64	—
CGF (USP 494)	390	110	114	—	2	5	—
„ „	420	80	85	-	6	10	—
„ „	460	44	62	72	18	30	33
„ „	500	23	37	47	07	48	58
„ „	550	11	20	32	67	72	82
„ „	600	5	9	17	117	122	125
CTD (USP 92)	70	24	26	28	3½	2	3½
„ „	80	15	18	20	2	4	6
„ „	90	7	10	12	5	7	8
CUA (USP 131)	120	14	16	—	3	3½	—
„ „	130	6	10	14	9	10	10
„ „	140	2½	6	10	17	18	20
„ „	160	1½	3	5	36	37	38
GEC (USP 208)	180	36	44	52	8	5	8
„ „	197	12		—	5	—	—
„ „	200	—	26	35	—	11	17
„ „	217	8	—	—	15	—	—
„ „	220	--	17	25	—	21	30
„ „	237	3	—	—	30	..	—
„ „	240	—	7	—	.	06	—
„ „	260	1	4	—	52	52	—
GMH (USP 358)	240	2	—	--	1	—	—
„ „	260	101	--	—	1	—	—
„ „	280	81	87	—	1	3	—
„ „	300	61	67	—	2	4	—
„ „	330	33	43	48	4	7	8
„ „	360	16	28	32	13	17	20
„ „	390	6	16	21	34	36	38
ICI (USP 386)	260	132	—	—	2	—	—
„ „	280	112	—	—	8	—	—
„ „	300	92	100	—	8	3	—
„ „	330	62	70	—	3	4	—
„ „	360	36	46	56	6	10	14
„ „	390	16	28	38	16	24	28
„ „	420	5	14	20	38	42	46
LS (USP 318)	240	2	—	—	1	—	—
„ „	260	61	67	74	1	3	—
„ „	280	41	48	54	4	6	10
„ „	300	21	30	38	6	9	16
„ „	330	7	15	23	18	22	23
M & S (USP 203)	160	49	—	—	1½	—	..
„ „	180	29	35	40	2	5	7
„ „	200	15	23	29	6	11	16
„ „	220	7	11	17	16	23	27
„ „	240	2	5	—	36	38	—

Option		Calls Apr.	Calls Jul.	Calls Oct.	Puts Apr.	Puts Jul.	Puts Oct.
BHL (USP 430)	360	72	—	...	—	—	-
„ „	390	42	50	54	5	10	16
„ „	420	18	28	38	16	24	30
„ „	460	4	12	18	46	48	54

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BBL (USP 483)	360	138	142	—	1	2	—
„ „	390	108	112	—	2	4	—
„ „	420	78	82	92	4	12	82
„ „	460	38	48	60	18	23	32
IMP (USP 116)	80	82	—	—	1	—	—
„ „	100	18	—	—	1	—	—
„ „	110	12	16	20	4	5	7
„ „	120	7	10	14	6	10	12
„ „	130	3	5½	8	15	17	12
LMO (USP 237)	220	42	50	55	10	16	23
„ „	240	30	32	47	18	27	35
„ „	260	18	29	37	32	40	45
„ „	280	12	80	25	47	65	60
„ „	300	5	12	—	65	70	—
„ „	330	3	6	—	95	97	—
„ „	360	8	—	--	125	—	—
„ „	390	2	—	—	155	—	—
LNR (USP 84)	80	10	11	13	3	5½	6½
„ „	80	4	6½	7½	8	11	12
„ „	100	1½	3½	4½	17	20	21
P & O (USP 138)	100	41	41	—	1	2	—
„ „	110	31	31	—	2	2	—
„ „	120	81	22	27	2	6	10
„ „	130	13	15	19	5	2	13
„ „	140	6¼	10	14	8	15	18
„ „	160	8	—	—	23	—	—
RCL (USP 469)	420	60	70	80	5	8	12
„ „	460	32	42	55	18	80	40
„ „	500	13	27	35	42	52	65
„ „	560	5	11	—	85	90	—
„ „	600	8	6	—	136	140	—
„ „	650	2	—	—	185	—	—
RTZ (USP 531)	390	124	—	—	1	2	—
„ „	420	94	100	—	2	—	—
„ „	460	57	72	—	10	16	—
„ „	500	37	50	60	87	37	42
„ „	650	14	24	36	54	80	67
VRF (USP 104)	60	—	—	—	1	—	—
„ „	70	2	—	—	1	—	—
„ „	80	2	—	—	2½	—	—
„ „	90	18	82½	—	5	7½	—
„ „	100	12	16½	18	9½	12	13½
„ „	110	6	11½	13½	14½	17½	12½
„ „	120	5½	8	10½	20½	24	26½
„ „	160	3	6	7	29½	30	31
„ „	140	2	3½	5	38½	—	41

Mar. 7 Total Contracts 1,057 Calls 808 Puts 249

هكذا اصل الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	106.4	112.1	+0.5	—
Do. Initial	105.1	110.7	+0.5	—
Man Pens. Accum	221.1	232.8	...	—
Do. Initial	186.6	196.5	...	—
Gilt-Edg Pens. Accum.	194.6	204.9	...	—
Do. Initial	158.6	167.0	...	—
Money Pens. Accum	175.9	185.2	...	—
Do. Initial	144.8	152.5	...	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		220.02	...	—
Managed Inv. Fd.	149.52	157.39	...	—
Property Fd.	145.74	153.42	...	—
Fixed Interest Fd.	136.62	143.82	...	—
Cash Fd.	131.76	138.70	...	—
Income Fd.	154.17	162.29	...	—
Extra Income Fd.	142.36	149.85	...	—
Worldwide Growth Fd.	201.45	212.06	...	—
Balanced Fd.	162.10	170.64	...	—
Smlr Co's & Recy. Fd	194.48	204.72	...	—
Int. Technology Fd.	233.16	245.44	...	—
Nth. Amer. & Gen. Fd.	149.45	157.32	...	—
Energy Int. Fd.	89.48	94.19	...	—
Pacific Basin Fund	118.97	125.24	...	—

British National Life Assurance Co. Ltd.
Haylands Rd, Haywards Heath. 0444 414111

Equity	95.0	100.0	...	—
International	109.5	115.3	...	—
Property	105.5	111.1	...	—
Deposit	95.9	101.0	...	—
Fixed Interest	94.2	99.2	...	—
Managed	101.7	107.0	...	—
Equity Pens Cap	94.5	99.4	...	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	122.3	128.8	+0.6	—
GT Pln High Yld Fnd	108.9	114.7	...	—
GT Plan Far East Fnd	97.3	102.5	...	—
GT Pln N Am Fund	152.0	160.0	...	—
GT Pln UK&G E Fnd	124.5	131.1	...	—
GT Pln Wrldwde Fnd.	120.8	127.2	...	—
GT Pension Bnd Fnd	128.6	135.4	+0.8	—
GT Pen High Yld Fd.	122.4	128.9	...	—
GT Pen Far East Fd.	106.3	111.9	...	—
GT Pen N. Am Fd.	194.1	204.4	...	—
GT Pen UK & G E. Fd	138.6	145.9	...	—
GT Pen Worldwide Fd	128.2	135.0	...	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond.	158.9	167.3	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		228.3	...	—
Portfolio Fd. Init.		193.8	...	—
Portfolio Fd. Cap.		220.8	...	—
Investment A/cs	228.2	240.3	...	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,413	...	—
Landbank Secs		62.7	...	—
Landbank Scs. Acc.	172.4	176.8	...	—
G. & S. Super Fd.		£10.638	...	—

World Wide Growth Management
70a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.19	—	+0.02	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	35.9	37.4	...	3.10
Chinese Fund	92.8	96.5	...	1.70
Precious Metal Fund	142.2	147.9	...	8.30
Vanguard Cmdy. Fd	42.0	47.0	...	2.26
Financial Futures Fd.	121.8	126.7	...	—
Wren Intl. Fnd.*	$1.016	1.058	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase

FT COMMERCIAL LAW REPORTS

Lloyd's arbitration award to stand

MORAN v. LLOYD'S

Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Dillon, Sir George Baker): March 2 1983

APPLICATIONS TO remit or set aside an arbitrator's award are interlocutory and leave must therefore be obtained to appeal from a judge's refusal to set aside or remit the award; and where the ground of appeal is inconsistency in the award, the court will not grant leave because inconsistency does not constitute "misconduct" on the part of the arbitrator.

The Court of Appeal so held when refusing an application by Mr Christopher Moran for leave to appeal against Mr Justice Lloyd's refusal (FT, October 26 1982) to set aside or remit an umpire's award in an arbitration between Mr Moran and the Committee of Lloyd's.

Section 23 of the Arbitration Act 1950 provides: "(2) Where an arbitrator or umpire has misconducted himself or the proceedings . . . the High Court may set the award aside."

* * *

SIR JOHN DONALDSON, giving the judgment of the court, said that in an arbitration between Mr Moran and the Committee of Lloyd's, the umpire found Mr Moran guilty on five out of 10 specific counts of discreditable conduct.

Mr Moran applied for leave in the Commercial Court to appeal against the award, and for an order setting aside the award or remitting it to the umpire on the grounds that the umpire had misconducted himself or the proceedings.

Both applications were refused by Mr Justice Lloyd. In the present appeal from his refusal to set aside or to remit, the court had to consider whether leave to appeal was required against the refusal to set aside; if so, whether it should be granted; and if it were granted or was not required, whether the appeal should be allowed.

*

Was leave to appeal required?

Whether leave was needed depended on whether the order sought to be appealed was or was not an interlocutory order. There were as yet no clear rules for the determination of what was an interlocutory order, though there was power to make rules to that effect under section 60(1) of the Supreme Court Act 1981.

In *Salter Rex v Ghosh [1971] 2 QB 597* Lord Denning MR drew attention to two different tests which had from time to time been applied in deciding whether a judgment or order was final or interlocutory.

In one test the yardstick was whether the judgment or order as made, finally disposed of the rights of the parties. In the other, which was the one accepted by Lord Denning, the yardstick was the nature of the application to the court.

In *Croasdell v Cammell Laird [1906] 2 KB 569* a very strong Court of Appeal held that an order setting aside an award was interlocutory.

That case was quite indistinguishable from the present. An order made on an application to remit was at least as interlocutory as one made on an application to set aside, and the decision in *Croasdell* applied equally to such an order.

Accordingly, Mr Moran must seek leave to appeal.

*

Should leave to appeal be granted?

Mr Littman, for Mr Moran, wished to argue that the umpire had "misconducted himself or the proceedings" within section 23 of the Arbitration Act 1950, and that the award should be set aside on that account.

In paragraph 67 of its 1978 Report on Arbitration (Cmnd 7284) the Commercial Court Committee had drawn attention to the fact that the term "misconduct" could give a wholly misleading impression of the complaint made against an arbitrator or umpire.

That report said that few would object to the terminology if what was referred to was dishonesty or breach of business morality on the part of the arbitrator or umpire; but section 23 had been held to apply to procedural errors or omissions by arbitrators who were doing their best to uphold the highest standards of their profession.

In that context, the report said, the terminology caused considerable offence, and some other term should be substituted for "misconduct" reflecting the idea of irregularity rather than misconduct. No effect was given to that recommendation in the 1979 Arbitration Act.

This was just such a case as the Commercial Court Committee had in mind. Mr Littman expressly disavowed any intention of impugning the honour, integrity or professional competence of the umpire, but was forced to use the term "misconduct" because the only relevant power to set aside the award was contained in section 23 of the 1950 Act.

*

Mr Littman wished to argue that the umpire erred in two respects, namely that his finding of guilt on one of the complaints against Mr Moran was inconsistent with his failure to find him guilty on certain other counts; and that in relation to two counts, the umpire found against him on a basis which had not been put forward by Lloyd's, thereby inadvertently depriving him of an opportunity of adequately defending himself.

Section 22 of the Act differed from section 23 in that it gave a power of remission, as contrasted with a power to set aside, and in that its exercise did not depend on a finding of misconduct on the part of the arbitrator or umpire. It was discretionary, but the discretion had to be exercised in accordance with established principles.

The authorities established that an arbitrator did not misconduct himself or the proceedings merely because he made an error of fact or law. Similarly, the power of remission under section 22 had never been exercisable merely on the basis that the arbitrator or umpire had made such an error.

Neither section 22 nor section 23 was available as a back-door method of circumventing the restrictions on the court's power to intervene in arbitral proceedings which had been created by the 1979 Act.

It was doubtful that, as such, inconsistency between one part of an award and another could ever constitute or evidence misconduct on the part of an arbitrator. The overwhelming likelihood was that it would merely constitute or evidence error of law or fact, and those did not amount to misconduct.

An arguable case of "misconduct" had not been made out. In the absence of misconduct, the court must therefore consider the possibility of a claim for remission under section 22.

In that context a distinction had to be drawn between the award itself—the operative or decisive part of the award—and the reasons for the award.

Inconsistency of *reasoning* might betray an error of fact, but it was in the nature of arbitral proceedings that that must be accepted by the parties. Alternatively, it might betray an error of law. That might give rise to a right of appeal, but had no other effect. Inconsistency or ambiguity in the operative parts of the award might be another matter.

The court could detect no arguable grounds for remitting the award on the basis of any internal inconsistency.

*

Failure to give a party a reasonable and proper opportunity to put forward his own case, and to rebut that of the opposite party, could constitute "misconduct" of the proceedings which would justify the court in setting aside the award pursuant to section 23, or remitting the award pursuant to section 22. But in the present case the court could detect no arguable grounds for submitting that that had occurred.

For those reasons the application for leave to appeal would be dismissed.

For Mr Moran: Mark Littman QC, John Finnis and Julian Burling (Goodman, Derrick and Co.).

For Lloyd's: Peter Scott QC and Anthony Boswood (Freshfields).

By Rachel Davies
Barrister

U.S. $30,000,000

NEDLIBRA FINANCE B. V.

(incorporated with limited liability in the Netherlands, established in Amsterdam)

GUARANTEED FLOATING RATE NOTES DUE 1988

unconditionally and irrevocably guaranteed by

LIBRA BANK LIMITED

incorporated with limited liability in England

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from March 7th to June 7th, 1983 the Notes will carry an Interest Rate of 9¹⁄₁₆% per annum. The interest payable on the relevant date, June 7th, 1983 against Coupon No. 10 will be U.S. $234·79.

By The Chase Manhattan Bank, N.A., London Agent Bank

GENOSSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT

Vienna

U.S. $50,000,000 Floating Rate Subordinated Notes Due 1992

For the three months 8th March, 1983 to 8th June, 1983 the Notes will carry an interest rate of 9⅛% per cent. per annum.

Interest payable on the relevant interest payment date, 8th June, 1983 against Coupon No. 7 will be U.S. $115·80.

Listed on the Luxembourg Stock Exchange.

By: Morgan Guaranty Trust Company of New York, London Agent Bank

INTERNATIONAL CAPITAL MARKETS

Rabobank launches $75m Eurobond

By Mary Ann Sieghart in London

RABOBANK, the leading Netherlands' co-operative bank, is raising $75m in the Eurobond market through an eight-year, 11 per cent bond, priced at par. Morgan Guaranty is lead-managing the issue, together with Salomon Brothers and Rabobank itself.

A similar bond from West Germany's Commerzbank, issued last week when the market was firmer, also carried a coupon of 11 per cent, but has been trading slowly. The Rabobank issue was being quoted at a discount of about 2 per cent last night.

Honeywell International Finance, a subsidiary of the U.S. computer manufacturer, is to raise $100m through a seven-year, 10¾ per cent bond with a price of par. S. G. Warburg is leading the deal with Morgan Stanley.

Friday's $300m Bank of America deal met a poor reception in the market yesterday, trading at a heavy discount of about 2¾ per cent. It is understood that several London-based banks turned down the offer of co-management on the basis that they would not be able to *sell the bonds at a profit.*

As one new issue manager said: "The warrant concept is a very dangerous game when investors start to think that interest rates will not come down much further."

The Eurodollar market was still *struggling yesterday* to absorb last week's flood of new issues and prices were marked down. There was little buying interest overall, and virtually none from retail investors. Secondary market prices fell by about ½ point.

The German market saw one new issue yesterday, from the Korean Development Bank. It is raising DM 100m through a seven-year, 8¾ per cent bond, priced at 99¾. The issue is government-guaranteed, and led by Deutsche Bank. In the secondary market, prices were up about ¾ point on the day, as investors were cheered by Sunday's election result.

Union Bank of Switzerland led two private placements in the Swiss market yesterday. Okumura, the Japanese construction and engineering company, is raising SwFr 60m, on a convertible bond with an indicated coupon of 4¼ per cent. The New Zealand Government issued a SwFr 200m, five-year, 5¼ per cent bond at par. The secondary market was patchy, but prices were overall more or less unchanged.

NOTICE TO HOLDERS OF

MITSUI REAL ESTATE DEVELOPMENT CO., LTD.

(Mitsui Fudosan Kabushiki Kaisha)

6 PER CENT CONVERTIBLE *BONDS DUE 1992*

and

7¼ PER CENT CONVERTIBLE BONDS DUE 1996

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 21st September, 1977 and pursuant to Clause 7(B) and (C) of the Trust Deed dated 12th December, 1980 under which the above Bonds were issued, notice is hereby given as follows:

1. On February 18, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of March 31, 1983 in Japan, at the rate of 1 new share for each 20 shares held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective as of April 1, 1983, Japan Time, as follows:

(A) 6 per cent Convertible Bonds due 1992
Before Adjustment: Yen 473.40
After Adjustment: Yen 450.90
(B) 7¼ per cent Convertible Bonds due 1996
Before Adjustment: Yen 555.00
After Adjustment: Yen 528.60

MITSUI REAL ESTATE DEVELOPMENT CO., LTD.
By: The Bank of Tokyo Trust Company
as Trustee

Dated: March 8, 1983

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 7.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 14⅛ 89	75	112⅞	113⅜	−0⅛	0	11.10
Amro Bank 13 89	200	105⅞	106⅜	−0¼	+0½	11.58
BHP Finance 14⅝ 89	150	109¼	109⅝	−0⅛	+0⅛	12.40
British Col Hyd 14¾ 89	200	113⅞	114⅜	−0⅜	−0⅛	11.41
British Col Hyd 15½ 92	150	117½	118	−0⅛	−0¼	11.96
Canada 14⅜ 87	750	111⅜	111⅞	−0½	−0¼	10.79
Canadair Ltd 12½ 88	175	105½	106	−0⅛	−0⅛	11.20
Canadian Wheat 11⅛ 90	50	101¼	101¾	−0⅛	−0⅛	10.93
Can Pac Ltd 14⅝ 92	75	111¼	111¾	−0¼	+0⅜	12.43
Can Pac Sec 15 89	10	109½	110	+0⅛	−0⅛	12.05
Citicorp O/S 15 84/92	100	104¾	105¼	+0⅛	−0⅛	9.94
Coca Cola Int 9¼ 92	100	25¼	25¾	−0⅛	+0⅜	10.86
Coca Cola Int 11¾ 89	100	105⅞	106⅜	−0½	−0⅛	10.38
Credit Suisse 10½ 89	100	99¼	100⅜	−1⅛	−1⅛	10.45
Deutsche Bk Fin 14¼ 89	300	110⅝	111⅛	−0¼	0	11.68
Du Pont 11¼ 95	150	101⅜	101⅞	−0¼	−0⅛	10.99
Du Pont 14½ 88 WW	200	108¼	108¾	−0⅛	−0¼	12.11
E.D.C. 10¾ 88	100	99¾	100¼	−0½	−0¼	10.73
E.D.F. 12¾ 87	150	104½	105	−0⅛	−0½	11.33
E.E.C. 11½ 89	200	99	99½	−0¼	+0⅛	11.61
E.I.B. 15½ 92	100	114⅝	115⅛	−0⅜	−0¼	12.90
Exp Dev Corp 11¾ 01	100	102⅝	103⅛	−0½	−0⅜	10.89
Forsmarks 13¾ 92	75	105⅜	105⅞	0	+0⅜	12.67
Gaz de France 12¼ 93	115	20⅛	20⅝	−0⅛	−0⅜	12.17
Gen Elec Credit 9¾ 81	100	15⅛	15⅝	+0½	+0⅛	10.58
Gen Elec Credit 12 88	100	100⅞	101⅛	−0⅜	−0¼	10.31
Getty Oil Int 14 88	125	107½	108	−0¼	−0⅜	12.12
GMAC O/S Fin 10⅛ 90	200	97⅝	98⅛	+0⅛	−0⅜	10.84
GMAC O/S Fin 15 87	100	109¼	109¾	−0½	−0⅜	11.95
Gulf Oil Fin 12¼ 91	100	104¾	105¼	−0¼	−0⅜	10.76
IBM World Trade 12¼ 92	200	108⅜	108⅞	−0⅛	0	10.58
Lloyds Euro 11⅛ 94	100	18⅜	18⅞	+0⅛	+0⅛	11.71
Manitoba Prov 11¾ 88	125	103⅛	103⅝	−0⅜	−0¼	10.80
Manitoba Prov 13¾ 89	100	109⅜	109⅞	−0⅛	0	11.54
Midland Int Fin 11½ 92	150	99¾	100¼	−0¼	−0¼	11.48
Nat West Fin 11¾ 92	150	101⅜	101⅞	−0⅛	−0⅛	11.44
New Brunswick 15¼ 87	75	112½	113	−0¼	−0⅛	11.35
Newfoundland 15½ 90	15	113⅜	113⅞	0	+0⅜	12.53
Nippon Credit 11⅛ 92	100	97⅝	98⅛	−0⅛	−0⅛	11.82
Nova Scotia Prv 15¾ 88	75	113¾	114¼	+0¼	+0⅛	11.95
Ontario Hydro 11⅛ 89	200	103⅝	104½	−0⅜	0	10.41
Ontario Hydro 12¾ 93	200	106⅞	107⅜	0	+0⅜	11.46
Ontario Hydro 15 92	150	116¼	116¾	−0½	0	11.95
Prudential O/S 12¾ 87	150	106⅝	107⅛	−0⅛	−0½	10.74
Quebec Hydro 11⅛ 92 D	100	100⅜	100⅞	0	+0⅜	11.37
R. J. Reynolds 12¾ 89	100	105¼	105¾	−0¼	−0¾	11.47
Saskatchewan Prov 15 92	150	116¼	116¾	−0⅛	+0⅛	11.85
Shell Canada 14⅛ 92	125	111¼	111¾	−0½	+0⅛	12.28
Stand Enskil 11½ 88	100	99	99½	–	–	11.76
Swed Exp Credit 14¾ 90	100	108¼	108¾	−0⅛	0	12.84
Swiss Bk Corp 10¼ 90	125	100	100½	−0½	−0⅜	10.18
Texaco Capital 9¾ 90	150	95½	95⅝	−0½	−0⅜	10.72
U.B.S. 11 89	150	103	103½	−0⅜	−0½	10.29
Walt Disney Prs 12½ 88	75	104	104½	−0⅜	−0⅜	11.48
World Bank 10⅛ 88	150	98½	99	−0⅜	−0⅜	10.70
World Bank 10⅞ 93	100	98¼	98¾	−0⅜	−0⅛	11.12
World Bank 11½ 88	100	98⅝	99⅛	−0⅛	−0¼	11.27

Av. price changes: on day −¼, on week −⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	101¼	101¾	+0⅛	+0⅜	8.01
Asian Dev Bank 8¼ 92	150	100¾	101¼	+0⅜	+1⅛	8.09
Australia 6⅞ 93	200	98¼	98¾	+0¼	+0⅜	7.01
Australia 7¾ 92	200	103⅞	104⅜	+0⅜	+0⅜	7.14
Bank of Tokyo 7¼ 90	100	98½	99	+0⅜	+1	7.48
Bayer Capital 7⅛ 89	150	102⅞	103⅜	+0¼	+0½	6.99
Beecham Fin 8⅛ 92	125	102½	103¼	+0½	+0⅛	7.88
Caisse Nat Energie 8 93	100	100¾	101¼	+0⅛	+1	7.84
Caisse Nat Tele 7¾ 93	200	98¼	98¾	+0¼	+0½	7.96
E.C.S.C. 7½ 93	150	98¾	99½	+0⅛	+0⅜	7.62
E.E.C. 7¾ 95	200	99⅝	100⅛	+0⅜	+1½	7.76
E.E.C. 8 94	200	101¼	101¾	+0½	+1¼	7.79
GKN 8⅛ 89	100	99¾	100¼	+0¼	+0¾	8.41
Gould Int Fin 8¼ 89	75	102⅝	103½	+0⅛	+0⅜	7.68
H.J. Heinz Int 6¾ 88	50	98¾	99¼	−0¼	−0¼	6.99
Int-Am Dev Bk 8¼ 93	150	100⅞	101⅜	+0⅜	+1	8.07
Ireland 8⅞ 91	150	100⅞	101⅜	+0⅛	+1	8.86
ITT Antilles 1 93	200	98	98½	+0⅜	+0⅜	7.25
McDonalds Fin 7½ 92	100	100⅛	100⅝	+0¼	+0⅜	7.83
Mitsui O.S.K. 7¼ 89	100	98¼	98¾	+0½	+1¼	7.52
Mitsubishi Heavy 7⅛ 87	150	101¼	101¾	+0⅜	+0⅜	7.23
Quebec Hydro 8 92	200	101¾	102¼	+1⅛	+1⅜	7.70
Sweden Kingdom 8¼ 89	150	102⅞	103⅜	+0⅜	+0⅜	7.63
World Bank 7¼ 93	200	98¼	98¾	+0⅜	+0⅜	7.47
World Bank 8¼ 92	200	103⅛	103⅝	+0½	+1½	7.72

Av. price changes: on day +⅜, on week +⅞

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	98¾	99	+0⅛	−0⅛	4.89
Asian D.B. 5⅜ 95	100	99	99¼	0	+0½	5.98
Bowater Int Fin 6 93	100	103¼	103½	−0⅛	0	5.54
Chugoku Ele Pow 6⅛ 91	100	103¼	103½	+0⅛	+0⅜	5.58
Ex-Im Bk Japan 5 92	100	98	98¼	0	−1½	5.26
First Interstate 6 92	100	104	104¼	0	+0⅜	5.44
Gaz de France 6 93	100	102¼	102½	−0⅛	0	5.68
Gothenburg Airport 6 93	50	99¼	99½	0	0	6.08
HCA Finance 5 93	100	98⅝	98⅞	+0½	+0⅜	5.10
Japan Dev Bk 5¼ 92	100	101⅜	101⅝	+0½	−0⅛	5.05
KLM Dutch Air 6¼ 92	80	103	103¼	−0¼	−0½	5.81
Kyushu Elec Power 6 92	100	100¾	101	−0⅜	−1	5.88
Manitoba Prov 5¾ 93	100	101⅛	101⅜	+0¼	+0⅜	5.89
New Zealand 5¼ 92	100	101⅝	101⅞	−0½	−0⅜	5.02
Nippon Express Co 6 93	50	101¾	102	+0⅜	−0¼	5.74
Nippon Kokan 5⅞ 93	100	97¼	97½	+0¼	−0¼	6.98
Nisshin Steel Co 6⅛ 92	100	101	101¼	+0¼	0	6.21
O.K.G. 6¾ 93	60	101	101⅛	−0½	+0½	6.59
Philip Morris 5⅛ 92	100	103¼	103½	+0¼	+0⅛	4.80
Quebec 5¾ 93	100	102¾	103	−0¼	00	5.38
Sweden Kingdom 5⅞ 92	100	100½	100¾	+0¼	+0½	5.78
Tokyo Elec Power 5⅝ 92	100	102¼	102½	0	0	5.55
Tokyo Metropolis 5⅜ 92	100	100½	100¾	+0¼	+0½	5.29
Union Bk Norway 5⅝ 93	60	98¾	99	0 0	0	5.52
Volvo 5⅛ 91	60	101	101¼	0	0	5.20
World Bank 5½ 93	100	101	101¼	+0⅛	0	5.35

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105⅝	106⅛	+0⅛	−0⅜	7.78
E.I.B. 8¼ 92	15	102⅞	103⅛	+0⅛	−0⅛	7.83
Japan Airlines 7⅞ 87	97	100⅝	101⅛	0	−1½	7.87
New Zealand 8⅛ 87	10	102¾	103¼	+0⅜	+0⅜	7.58
World Bank 8⅛ 92	20	102¾	103¼	+0⅛	−0⅛	7.88

Av. price changes: on day +½, on week −¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	113	113½	0	+0⅛	13.56
Can Utilities 17 87 C$	35†	114	115	0	−0⅛	12.48
Farm Credit 12⅛ 93 C$	50†	100⅛	100⅝	–	–	12.05
Gaz de France 15 89 C$	75†	106¼	106¾	+0⅛	+0½	13.42
Gaz Metro 14½ 92 C$	40†	103½	104½	−0	−1	13.78
Quebec Hydro 14 92 C$	80†	106⅝	107⅛	0	−0⅛	12.88
Swed Exp CR 12½ 88 C$	50†	99	99½	0	+0⅛	12.45
Ireland 12¾ 90 Ecu	30	100⅝	101⅜	−0⅛	0	12.46
Ireland 12⅛ 01 Ecu	30	98⅝	99⅛	0	−0⅛	12.37
Amfas 8½ 87 Fl	80	104⅞	105⅛	+0⅛	+0⅛	8.17
Austria 7½ 00 Fl	100	98¼	98¾	–	–	7.62
Nederland Gas 1½ 88 Fl	100	99⅛	99½	–	–	7.59
Neder Middk 8⅛ 01 Fl	100	105⅛	105⅝	+0½	+0⅜	7.84
Quebec Prov 7⅛ 88 Fl	100	98¼	98¾	0	+0⅛	7.47
World Bank 7 88 Fl	150	98½	99	–	–	7.31
O.K.B. 14 86 FF	400	87½	88½	−0⅛	−0½	14.86
Solvay & Cie 14¾ 86 FF	200	96⅞	97⅞	0	0	15.50
B.F.C.E. 14½ 81 £	30	107¼	108	+0⅛	+0⅜	12.63
C.E.C.A. 13½ 88 £	20	104⅛	105⅛	+0⅜	+0⅛	12.27
C.N.T. 12½ 88 £	20	99⅛	100⅛	+0½	+0½	12.55
E.E.C. 11⅞ 81 £	50	97½	98¼	+0½	+1	12.30
Fin For Ind 12⅛ 88 £	30	101	102	+0⅜	+1⅛	11.82
Fin Mat Oranj 12⅝ 92 £	30	22⅝	23⅛	+0⅜	+0½	12.98
Gen Elec Co 12½ 88 £	50	103⅝	104⅛	0	+0⅛	11.47
Hiram Walker 14¼ 88 £	25	104⅞	105⅝	+0⅜	+0⅛	12.84
Mort Bk Fin 11¾ 89 £	15	23⅜	24⅜	+0⅜	+0⅜	13.27
Norsk Hydro 12 90 £	30	27	27⅜	+0⅜	+0⅜	12.81
Norsk Hydro 14½ 92 £	30	106⅞	107⅛	+0¼	+0⅜	12.15
Quebec 14½ 89 £	30	105⅞	106⅞	+0⅛	+1⅛	12.93
S.D.R. France 15½ 92 £	30	105⅜	106⅜	+0⅜	+1⅛	14.22
S.N.C.F. 11½ 88 £	30	94⅝	95⅝	+1⅛	+1⅜	12.50
Tenneco Int 14¾ 87 £	30	106⅞	107⅞	+0⅜	+0½	12.40
World Bank 11⅞ 81 £	75	26¼	27	0	+1⅛	12.13
Euratom 11 93 LuxFr	500	100½	101½	–	–	10.83
Europarat 12½ 92 LuxFr	500	103⅝	104⅝	−0¼	−0⅜	11.72

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100	100½	10/6	9¾	9.73
B.F.C.E. 5¼ 88	0¼	99⅝	99⅞	28/7	9¼	9.34
B.F.C.E. 5⅛ 87	0¼	99½	99⅞	27/7	9.94	9.97
Caisse Nat Tele 5¼ 98	0¼	99	99½	21/4	10.56	10.64
Cepme 5¼ 92	0⅛	99½	99⅞	18/5	9.84	9.97
Chemical NY 5¼ 94 ††	0⅛	100⅛	100⅝	22/3	9.94	9.90
Credit Agricole 5¼ 97	0¼	99	99½	24/3	12⅝	12.97
Credit du Nord 5¾ 92	0⅛	99	99½	23/6	10⅛	10.20
Credit Lyonnais 5½ 91	0¼	99⅛	99⅝	1/4	12.19	12.26
Credit Lyonnais 5¾ 94	0¼	99¼	99¾	5/7	9¾	9.80
Credit Nat 5¼ 94 ††	0¼	99⅞	99½	9/3	12.18	12.23
E.D.F. 5⅛ 95 XW	0¼	99	99½	13/6	10	10.08
Konsallis Osaka 5½ 92	0⅛	99⅝	100⅛	6/6	10.06	10.00
Lloyds Eurofin 5⅛ 93 §	0⅛	100⅛	100⅝	20/4	10.56	10.52
Long Term Cred 5¼ 92	0½	100	100¼	27/6	10⅛	10.11
J.P. Morgan 5⅛ 97 §	0¼	100¼	100¾	12/5	9½	9.45
Nat West Fin 5⅛ 21 §	0¼	100¼	100⅞	15/7	9¾	9.28
New Zealand 5¼ 87	0⅛	100⅛	100⅝	7/4	12½	12.44
NZ Steel Dev 5¼ 92	0¼	100½	100⅞	22/6	10.10	10.15
Nippon Credit 5¼ 90	0⅛	100⅛	100⅜	10/6	9⅜	9.04
Offshore Mining 5¼ 91	0¼	100⅛	100⅝	2/6	10.44	10.40
Scotland Int 5¼ 92	0⅛	99½	100	23/3	13¼	13.28
Sec Pacific 5½ 91	0¼	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0¼	99⅛	99⅝	1/9	9½	9.58
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.69	10.66
Sweden 5¼ 92	0¼	99¼	99¾	3/8	10.10	10.24
Sweden 5¼ 89	0¼	99¼	99⅝	28/8	9⅜	9.57

Av. price changes on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	96	96½	+0⅜	6.83
Bridgestone Tire 5½ 96	3/82	470	100⅜	102⅛	−0⅜	−0.66
Canon 7 97	7/82	748.2	169	171	+1¼	4.36
Fujitsu Fanuc 4½ 98	10/81	5014	100¾	102¼	+2⅛	10.67
Hitachi Cable 5¼ 96	2/82	515	92⅛	94	−0⅛	4.44
Hitachi Credit Corp 5 98	1/81	1612	86⅝	88⅝	−0⅜	22.52
Honda Motor 5½ 97	3/82	759.6	112	113½	+0½	8.04
Kawasaki 5¾ 98	9/81	229	70⅝	72¼	+2⅜	17.38
Kumagai Gumi 6½ 97	10/82	406	111⅝	113⅛	+0½	3.53
Kyowa Hakko 6¾ 97	2/83	782	103⅝	104⅞	+0¼	11.14
Marui 6 98	7/81	709.5	117⅝	119⅝	0	3.29
Minolta Camera 5 98	10/81	826.4	70⅛	71⅝	+1⅛	33.80
Murata 5¼ 96	7/81	1971	94½	96	+1¼	8.85
NKK 6½ 96	7/81	186	81	82½	+1⅜	23.89
Nippon Electric 5¼ 91	2/82	804.2	125¼	126⅝	+1⅛	10.00
Olympus Optical 6¾ 97	12/82	1331	100⅜	101⅞	+0½	12.90
Orient Finance 5¼ 97	3/82	1205	98⅛	99⅝	+0⅛	1.38
Sanyo Electric 5 96	10/81	652	81½	83	+0⅜	26.81
Sumitomo Electric 5½ 97	3/82	677.3	95⅞	97⅛	+0⅜	14.22
Sumitomo Metal 5¼ 96	10/81	296.1	65¼	67⅛	+1⅜	26.30
Fujitsu 3½ 93 SF	3/83	903	105¼	106¼	0	1.95
Sharp Corp 3½ 93 SF	3/83	1190	105¾	107¼	−0¼	1.50
Konishiroku 6¾ 88 DM	6/82	618	110⅝	111⅝	+0⅜	9.30
Mitsubishi Heavy 6 89 DM	2/82	263	104¼	105¼	0	22.91
Sun Realty 6¼ 92 DM	2/83	395	108⅝	109⅝	+0⅛	1.27

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cr. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday March 8 1983

Commission seeks fish talks with Canada, Page 33

WALL STREET

Need for a breather in evidence

THE WEEK opened quietly on Wall Street with both share and bond markets inclined to pause for reflection, while awaiting the outcome of the Opec meeting in London. Fundamentals remained little changed from last week, with investors confident that economic recovery is under way in the U.S. and that Opec will reach agreement on reducing oil prices in an orderly fashion, *writes Terry Byland in New York.*

But a consensus is developing that share prices now need a period of consolidation, possibly bringing some downward adjustment in market indices. A report of increased industrial output, from purchasing officers at the major corporations, failed to excite equity investors.

Prices traded quietly around the levels established at the end of last week, with the Dow Jones industrial average rallying from an early fall to close at 1,141.74, a net rise of 0.78 on the day. Turnover was below last week's levels, with only some 84.4m shares traded. Although gains remained in the majority in the broader market, their majority was smaller. At the close, 867 shares showed advances while 763 declined.

In the credit markets, prices continued to ease as investors remained unsettled in their view of inflation prospects. Once again the Federal Funds rate was discouragingly high at 8¾ per cent, a shade above Friday's closing quotation.

The Treasury Bill sector was largely unaffected by technical factors. The Federal Reserve untertook a $1.5bn customer repurchase, which balanced out a $1.2bn sale to customers on Friday. Market fears that the Fed may be supplying too much liquidity remained unaltered.

However, the three-month Treasury bill yielding 8.15 per cent and the six-month at 8.13 per cent were slightly firmer than on Friday night. Falls in Government bonds were under one point. The benchmark Treasury long bond, the 10⅜ per cent of 2012, dipped to 98¼ per cent while at the shorter end, the 9⅝ per cent of 1985 at 100 11/32 and the 9⅞ per cent due 1986 were around 5/16 off.

There were some minor losses among airline and oil stocks, which featured in last week's trading.

Elsewhere AT & T finished $⅛ off at $66⅛ after warning of lower profits ahead. Johnson and Johnson, the retail and prescription drug group, delayed at the opening by an imbalance of orders, showed a $1¼ closing fall to $46¼ after disclosing that it will take a $20m write-off on suspending sales of Zomax, its painkilling drug.

IBM, the market's favourite stock, continued to attract a good trade and ended $¾ up at $103. But among the retailers, small losses left J. C. Penney at an early $56½ and Sears Roebuck at $34¾.

The pattern of small profit-taking soon covered the whole of the share market.

Weakness in golds and oils in **Toronto** depressed the broader market which drifted lower through much of the day in relatively light trading. Base metals and minerals showed strength, however. Banks were the most resilient in aimless **Montreal** dealings.

EUROPE

Right turn brings an upturn

THE SWING to the right by West German and French voters was cause for cheer not only in the financial markets of those countries: it produced a spillover of buying enthusiasm which benefited stock and bond values on nearly all the bourses, although muted in some cases by a transfer of funds particularly into **Frankfurt.**

There the FAZ index reached a record 282.32, up 8.38, while the Commerzbank indicator surged 22.6 to 844.9. Turnover was also at or near its highest ever as private and professional investors alike flocked in to buy.

One dealer said: "All the stocks were in demand, even the problem children of the market." Klöckner added DM 5 to DM 48 and AEG DM 3.10 to DM 58.80, both continuing their recovery from recent lows.

The vehicle, engineering, electrical, chemical, retailing and banking sectors were strongest, often showing gains extending to double figures. The only laggards were non-ferrous metals, where Degussa slipped DM 1.50 to DM 258.

Public authority bonds turned in gains of as much as 1½ points but volume was more moderate. The Bundesbank was able to sell DM 60.5m in public paper against DM 34.3m on Friday.

An active trade in **Paris** provided widespread buying encouragement but a particular allure for the foreign sector as the franc dipped sharply. Stocks were being regarded as a more stable investment while currency dealings were showing such volatility.

L'Oreal advanced FFr 85 to FFr 1,200, Moet-Hennessy FFr 36 to FFr 893 and Michelin FFr 25 to FFr 820. But declines were in evidence too, notably a FFr 49 slide by Club Mediterranee at FFr 530.

Amsterdam set a brisk upward pace to take Unilever Fl 6.30 higher at Fl 202, Ned Mid Bank Fl 7 at Fl 140 – as others in the sector trimmed earlier gains. Heineken, buoyed by its higher 1982 results, was Fl 8.10 ahead at Fl 127.60.

The ANP-CBS general index added 2.8 to a record 117.5. Philips, restrained ahead of an earnings announcement expected tomorrow, nonetheless improved 90 cents to Fl 36. Domestic bonds showed only narrow price movements.

Another beneficiary was **Brussels,** where Gevaert finished BFr 195 better at BFr 2,125 and Sofina 45 at BFr 4,245.

An easier bias emerged, by contrast, in **Zurich** as German investors took profits in time to catch their domestic markets on the way up.

Baer Holding slipped SwFr 100 to SwFr 5,275, later to announce higher profits and the acquisition by Union Bank of a 7.4 per cent stake.

Bank Leu at SwFr 4,000 ex-dividend was SwFr 100 higher, while insurances were steady and industrials mixed. Domestic bonds encountered little interest.

Industrials met good demand in **Milan** as Fiat gained L30 to L2,800, Italcementi L300 to L38,850 and Pirelli SpA L115 to L1,710. Financials were not neglected, with a L200 rise for Banca Commerciale at L35,380 and L320 for Toro Assicurazioni at L13,700.

Treasury securities and lower-coupon straights were firmer in active bond dealings.

Strong performances emerged in **Vienna,** where Steyr Daimler Puch advanced Scb 5 to Scb 160, and in **Oslo** which featured a further NKr 10 gain for Norsk Hydro at NKr 302.50.

Sellers often got the upper hand in **Stockholm,** however, and SKr 5 declines were common to AGA at SKr 355, Asea at SKr 805 and Astra at SKr 154.50.

SOUTH AFRICA

Modest gains

A STEADY bullion price permitted modest upward adjustments for Johannesburg gold shares, extending to R2.25 for Doornfontein at R29.50.

Mining financials echoed the trend with 20 cent rises for Anglo-American at R20 and De Beers at R8.

Elsewhere Rustenburg Platinum advanced 35 cents to R7.15, but industrials turned in a mixed showing, unnerved in part by predictions of increased taxes as a result of the lower recent values for gold.

FULL New York prices were not available for this edition due to a technical fault. An abbreviated listing appears on Page 31.

LONDON

Reservations brushed swiftly aside

BUDGET hopes and mounting optimism about world economic prospects took London equities into uncharted ground yesterday. Investment buyers shrugged off Friday's reservations and committed fresh funds which soon took the FT industrial ordinary index through its all-time peak reached on February 11. The close was 5.8 up at 666.1.

Weekend reports that Opec ministers were nearing agreement on oil prices and production quotas contributed towards the firm tone. The announcement of last month's UK wholesale price indices also gave a boost to sentiment, particularly in the gilt-edged sector, where the accent remained firmly on long-dated maturities.

As a result, buyers again found government stock in short supply and long-dated issues recorded fresh gains of a quarter. The shorts, however, remained out of fashion and settled with fractional losses.

Leading shares enjoyed an early flurry of activity and many showed useful gains. Engineerings fared better than most, with GKN recording a gain of 9p to 150p and Hawker a fresh rise of 10p to 390p.

Better preliminary results than expected from Barclays lifted the banking sector. After Lloyds' disappointing start to the dividend season, Barclays jumped 25p to a 1982-83 peak of 495p while NatWest rose 15p to 550p and Lloyds 10p to 480p.

Budget hopes and the recent sharp rise in private housing starts directed fresh attention to building and construction issues.

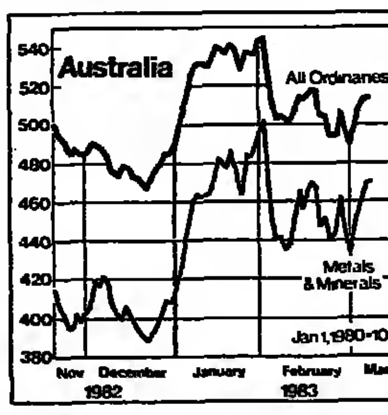
Hopes of Opec agreement encouraged early interest in oils. British Petroleum hardened 4p to 318p and Shell a couple of pence to 428p, ahead of annual results due on Thursday. Lasmo, also reporting then, firmed 5p to 240p.

Mining markets made an enouraging start to the week. South African golds staged a strong recovery after the unprecedented gyrations of the previous week, boosted by an improvement in the bullion price to $421.50.

The FT gold mines index at 599.8, recouped 21.6 of Friday's near 46-point fall, and the cheaper priced issues were particularly in demand.

Finanicals were quietly mixed, awaiting results later this week from three leading companies. Gold Fields, due to report half-year figures tomorrow, was little changed at 497p, while in the South Africans, Gencor, reporting preliminary results on Thursday, held at £16¾. Amgold, due to announce 1982 figures on the same day, gave up £⅝ to £75¼.

Australians heralded the Labor victory with a steady performance, and most diversified mining companies closed with good gains. MIM rose 10p to 265p, Western Mining 8p to 245p and CRA and Peko-Wallsend 5p apiece to 272p and 388p respectively. *Share information service, Pages 34–35.*



AUSTRALIA

Quiet stability

PRIOR discounting of the Labor federal election victory allowed Sydney shares to hold firm in quiet trading, supported by the healthy indicators that emerged last week for the world economy.

The All Ordinaries index added 0.9 to 513.4 and the metals and minerals marker 1.3 to 470.5, representing a recovery to around the levels at the time the elections were called. MIM gained eight cents to A$4.30 but CSR fell 10 cents to A$2.70.

Industrials there and in **Melbourne** performed well: News Corporation was one to show a 25-cent gain to A$2.55.

FAR EAST

Thin layer of blue chip support

BLUE CHIPS had the best of the running on all major Far Eastern markets yesterday, but the overall tone ahead of the renewed Opec deliberations was far from assured, and speculative favourites were prone to bouts of selling.

The yen's rise aided sentiment in **Tokyo,** but the thin trading volume of 230m shares reflected the decision of many operators to hold to the sidelines. The Nikkei-Dow Jones market average edged up 4.13 to 8,041.16, while the stock exchange index fared proportionately better with a 1.23 rise to 592.47.

Sony gained Y50 to Y3,420, Sharp Y30 to Y1,230, Canon Y20 to Y1,160, Toyota Y9 to the Y1,000 mark and Honda Y10 to Y793. The improvements were attributed in part to an easing of margin debt run-up on the stocks since the start of the year: this had developed into a downward pressure given the exchange authorities' close monitoring of the outstanding balance on purchases.

Steels firmed but other metals, oils and properties slipped.

Government bond prices strengthened but dealers expected the large pending issues of March national bonds to subdue any substantial immediate advance.

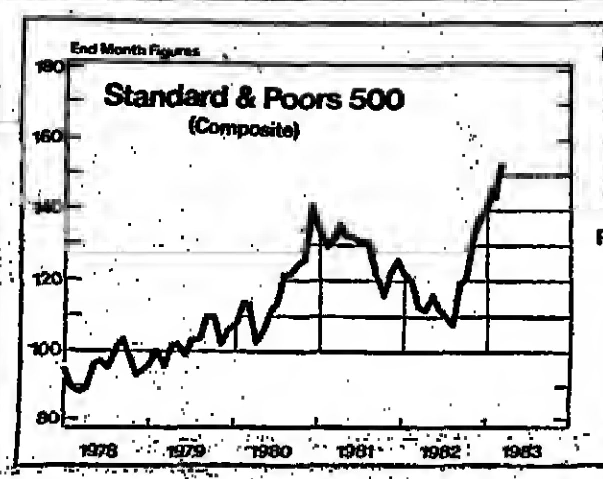
Short-covering and bargain-hunting provided a twin boost to **Hong Kong,** but a 28.31 rebound in the Hang Seng index – although enough to pull it back above the 1,000 barrier to close at 1,013.85 – was also achieved in thin trading.

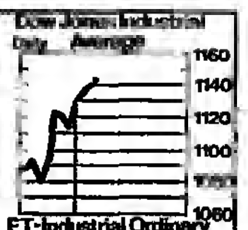
Jardine Matheson added 40 cents to HK$ 15.10 and Cheung Kong 25 cents to HK$ 9.80.

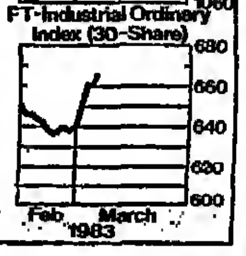
Speculative buying support held up better in **Singapore,** as did trading volume, to produce a selectively firmer result. The Straits Times industrial index added 7.21 to 838.46, while rumours of an oil discovery lifted Promet 38 cents to S$ 3.56.

Banks were in the forefront, benefiting from a budget tax boliday for syndicated loans.

KEY MARKET MONITORS







STOCK MARKET INDICES

	March 7	Previous	Year ago
NEW YORK			
DJ Industrials	1141.74	1140.96	807.36
DJ Transport	508.10	511.92	322.82
DJ Utilities	129.34	129.29	107.68
S&P Composite	153.67	153.67	109.34
LONDON	March 7	Prev	Year ago
FT Ind Ord	666.1	660.3	564.1
FT-A All-share	413.75	410.02	324.95
FT-A 500	447.97	443.95	344.15
FT-A Ind	422.85	419.07	318.39
FT Gold mines	599.8	578.2	216.0
FT Govt secs	80.76	80.52	68.56
TOKYO			
Nikkei-Dow	8041.16	8037.03	7285.54
Tokyo SE	592.47	591.24	543.5
AUSTRALIA			
All Ord.	513.4	512.5	464.9
Metals & Mins.	470.4	469.2	326.4
AUSTRIA			
Credit Aktien	50.47	49.74	53.95
BELGIUM			
Belgian SE	108.97	108.45	92.75
CANADA			
Toronto Composite	2170.0	2163.5	1600.5
Montreal Industrials	368.16	366.1	281.44
Combined	360.00	358.55	268.84
DENMARK			
Copenhagen SE	123.15	121.25	96.91
FRANCE			
CAC Gen.	108.8	108.1	105.4
Ind. Tendance	113.7	112.7	116.3
WEST GERMANY			
FAZ-Aktien	282.32	273.94	233.18
Commerzbank	844.9	822.3	708.2
HONG KONG			
Hang Seng	1018.85	985.54	1158.92
ITALY			
Banca Comm.	207.24	203.91	203.29
NETHERLANDS			
ANP-CBS Gen	117.6	114.7	86.8
ANP-CBS Ind	102.9	101.0	89.8
NORWAY			
Oslo SE	150.07	147.86	104.09
SINGAPORE			
Straits Times	838.46	831.25	702.22
SOUTH AFRICA			
Golds	807.2	794.2	433.0
Industrial	826.1	825.0	818.4
SPAIN			
Madrid SE	closed	105.24	127.45
SWEDEN			
J & P	1299.34	1290.11	822.02
SWITZERLAND			
Swiss Bank Ind	314.4	314.8	250.7

GOLD (per ounce)

	March 7	Prev
London	$421.50	$412.50
Frankfurt	$420.25	$412.50
Zürich	$419.50	$413.00
Paris	$427.77	$428.86
New York futures (March)	$427.00	$417.60

* *Indicates latest pre-close figure*

CURRENCIES

	U.S. DOLLAR March 7	U.S. DOLLAR Previous	STERLING March 7	STERLING Previous
£	1.5175	1.5125	–	–
DM	2.3910	2.4040	3.63	3.64
Yen	236	236	358½	357
FFr	6.8270	6.8200	10.36	10.31½
SwFr	2.0450	2.0440	3.10½	3.09½
Guilder	2.6390	2.6560	4.00½	4.02
Lira	1414	1401	2145	2118
BFr	47.06½	47.37	71.45	71.65
C$	1.2225	1.2226	1.8555	1.8500

INTEREST RATES

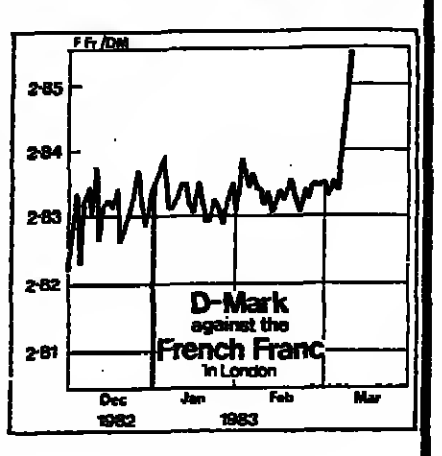
	March 7	Prev
Euro-currencies (three month offered rate)		
£	11⅜	11 5/16
SwFr	3¼	3
DM	5 3/16	5⅛
FFr	35	26½
FT London Interbank fixing (offered rate)		
3-month U.S.$	8 11/16	8⅞
6-month U.S.$	8 15/16	9
U.S. Fed Funds	8⅝	8½
U.S. 3-month CDs	8.45	8.45
U.S. 3-month T-bills	8.18	7.93

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
June	76–08	76–30	76–03	77–08
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.87	91.98	91.85	92.07
Cert Deposit (IMM) $1m points of 100%				
June	81.27	91.38	91.24	91.45
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.02	91.13	91.01	81.20
20-year Notional Gilt £50,000 32nds of 100%				
June	103–26	104–06	103–24	103–24
Three-month Sterling Deposit £250,000 points of 100%				
June	89.95	89.97	89.90	89.87

LONDON COMMODITY MARKETS

	March 7	Prev
Silver (spot fixing)	691.60p	699.65p
Copper (cash)	£1046.00	£1088.70
Coffee (March)	£1666.50	£1655.50
Oil (spot Arabian light)	$28.32	$28.32



NEW YORK CLOSING PRICES

(Closing Prices) Stock	Mar 7	Varn.
[illegible]		

WORLD STOCK MARKETS

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aleine Holdings	137	—
Arlen Elect	330	+14
BET Deld	252	+ 3
Barclays Bank	495	+25
Ble-Iselsles	315	−10
Cons Gold Fields	497	—
Deelkraal	346	+49
ICI	388xd	+ 4
Keen and Scott	58	—
Mellins	194	+12
Porter Chadburn	91	+14
Western Mining	245	+ 8

FRIDAY'S

Stock	No. of changes	Fri. close	Day's change
Mellins	49	182	−15
Lon & Liv Tst	48	410	−25
Ble-Iselsles	43	325	+ 5
Cns Gold Flds	28	497	−16
Combined Tech	25	64	+ 3½
Exco	24	600	−15
Wearwell	22	60	− 2
Arlen Elec	21	318	− 7
Carlton Comm	21	243	+18
Nth Goldsmths	21	154	—
Polly Peck	21	£15	− ½
Driefontein	20	£20¾	− 1¼
LASMO	19	235	−12
Vaal Reefs	19	£66⅞	− 4⅞

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	54	12	31
Corpns., Dom. and Foreign Bonds	23	1	63
Industrials	452	149	728
Financial & Props.	173	43	301
Oils	29	15	66
Plantations	3	6	13
Mines	66	24	51
Others	67	39	53
Totals	867	289	1,306

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (178)

AMERICANS (13)
CANADIANS (3)
BANKS (5)
BREWERS (2)
BUILDINGS (13)
CHEMICALS (5)
DRAPERY AND STORES (5)
ELECTRICALS (13)
ENGINEERING (9)
FOODS (1)
INDUSTRIALS (29)
INSURANCE (3)
LEISURE (1)
MOTORS (4)
NEWSPAPERS (5)
PAPER (4)
PROPERTY (11)
SHIPPING (1)
TEXTILES (5)
TRUSTS (29)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (1)

NEW LOWS (11)

STORES (1)
Acsis Jewellery
ELECTRICALS (1)
Breville Europe
INDUSTRIALS (4)
Ashley Ind. Trust — Silverthorne
Marshall's Universal — Wolverhptn. Stm. Ldy.
LEISURE (1)
Nimslo
TEXTILES (1)
Small & Tidmas
TRUSTS (1)
New Darien Oil
OIL AND GAS (2)
Genoa — Ed'burgh Secrties.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11

For rate indications see end of Share Information Service

Money was given the call of British Printing and Communication, W. E. Norton, Glynwed, Keep Investment, Stead and Simpson A, Spong, Cluff Oil, First National Finance, Lasmo, Combined Technologies, Mellins, Northern Engineering Industries, Dunlop, William Leech, J. Sainsbury, Hongkong and Shanghai Banking, George Wimpey, Pilkington, Armour Trust, Dalgety, Unigate, Town and City Properties, Turner and Newall, Marks and Spencer,

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

FIXED INTEREST

	PRICE INDICES	Mon March 7	Day's change %	Fri March 4
	British Government			
1	5 years	117.18	+0.02	117.16
2	5-15 years	129.20	+0.18	128.97
3	Over 15 years	137.03	+0.40	136.49
4	Irredeemables	144.98	+0.76	143.90
5	All Stocks	127.67	+0.20	127.41
6	Debentures and Loans	101.10	+0.05	100.63
7	Preference	77.20	+0.37	77.23

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FINANCIAL TIMES STOCK INDICES

	Mar. 7	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	year ago
Government Secs.	80.76	80.58	79.78	78.84	79.21	79.43	68.56
Fixed Interest	81.88	81.48	81.12	80.77	80.66	80.89	68.05
Industrial Ord.	666.1	660.5	661.5	651.6	641.6	637.7	564.1
Gold Mines	599.8	578.8	624.1	627.7	670.1	668.0	216.0
Ord. Div. Yield	4.82	4.86	4.86	4.91	4.98	5.02	5.67
Earnings, Yld.% (full)	10.15	10.22	10.21	10.32	10.48	10.65	10.27
P/E Ratio (net) (*)	11.95	11.82	11.82	11.50	11.52	11.33	12.54
Total bargains	24,491	25,778	24,130	24,007	23,078	23,698	27,069
Equity turnover £m.	—	314.82	291.53	246.58	200.58	196.24	180.27
Equity bargains	—	24,353	21,588	18,714	19,275	21,352	24,854
Shares traded (ml)	—	197.5	183.0	152.7	115.9	125.2	126.7

10 am 662.7. 11 am 664.5. Noon 664.9. 1 pm 665.3. 2 pm 666.1. 3 pm 666.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 11.16.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	86.84 (5/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.09 (12/11)	62.79 (5/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	666.1 (7/3/83)	518.1 (5/1/82)	666.1 (7/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 4	Mar. 3
—Daily		
Gilt Edged Bargains	177.1	171.6
Equities Bargains	157.8	138.5
Equities Value	533.5	589.2
5-day Avrge		
Gilt Edged Bargains	178.9	177.1
Equities Bargains	133.2	130.6
Equities Value	505.2	481.5

NEW YORK AND CANADA Indices

NEW YORK DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL

TORONTO

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

COMMODITIES AND AGRICULTURE

Copper comes under renewed pressure

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER CAME under renewed selling pressure on the London Metal Exchange yesterday, in spite of the firmer trend in gold. The three months quotation for high-grade copper closed £20.25 down at £1,079.5 a tonne and then dropped to £1,064 in late trading when the New York market showed renewed signs of weakness.

The steep fall in New York on Friday night brought an easier opening in London but the market rallied on the weakness of sterling before being hit by further speculative selling.

Encouraging the downtrend was yet another rise in LME warehouse stocks of copper last week, up by 1,775 tonnes to a four-year high total of 298,625 tonnes.

Although the rate of stocks increases has slowed down, there is no sign yet of consumer buying to bring holdings lower.

The lack of demand is believed to be unsettling speculators, already made nervous by the collapse in gold. The copper market appears to be under somewhat similar pressure to that experienced in gold — the failure of prices to move higher has encouraged impatient speculators to sell out and the charts are reportedly signalling a fall to lower levels.

Meanwhile, U.S. copper producers have lowered their domestic selling prices by 2 cents to 80 cents a pound reflecting the trend in New York. Last night St Joe Leard cut its domestic lead price by 1 cent to 21.5 cents a pound.

Other base metals were generally steady. Three months tin reached a new peak, gaining £20.5 to £8,861 a tonne following continued support buying by the buffer stock of the International Tin Council, which is also pushing the Straits tin price in Malaysia gradually higher.

Nickel values gained ground in spite of a 1,002 tonnes rise in warehouse stocks taking total holdings to a peak of 10,782 tonnes.

Lead stocks rose by 1,350 to a record level of 140,850 tonnes; tin by 335 to 36,045 tonnes; and LME silver holdings by 1,570,000 to 34,150,000 ounces. However, aluminium stocks fell by 250 to 262,250 and zinc by 475 to 90,925 tonnes.

Fires boost cocoa price

BY OUR COMMODITIES STAFF

COCOA PRICES rose sharply on the London futures market yesterday following reports from Abidjan of new bush fires in western Ghana causing extensive damage to cocoa plantations there.

Reuter quoted Accra radio as claiming that hundreds of cocoa and food farms, as well as a number of dry cocoa stocks, had been destroyed.

The radio said several villages near the Ivory Coast border had been evacuated and the shipment of cocoa out of the area seriously affected. Local officials were said to have asked the Ghana government to declare the Sefwi-Bibiani district a disaster area.

A further boost to market price was provided by a report from Brazil that dry and very hot weather had returned to the Bahia cocoa growing region.

On the London futures market the May position closed £24 up at £1,327.5 a tonne after reaching £1,334 at one stage.

'Superduck' to be exported to Philippines

A NEW breed of British "Superduck" is to be exported to the Philippines.

The hybrid egg layer has been nicknamed "Superduck" because it can lay up to 275 eggs a year, compared with only 160 from native birds.

● MORE THAN £120m compensation may have to be paid to farmers as part of a government exercise to wipe out a killer pig disease. Up to 400,000 pigs suffering from Aujeszky's disease, a herpes virus, may have to be destroyed.

● CHINA'S record 1982 grain crop of 344.3m tonnes was achieved despite a 2.1 per cent fall in the area under grain compared with the previous year.

● THE MALAYSIAN Government has told buyers and importers of its palm oil to buy direct to ensure that supplies are of good and reliable quality and meet specifications.

● ALL AVAILABLE information suggests the Soviet winter grain crop is likely to be worse than average, says the U.S. agriculture counsellor in Moscow.

● A MACHINE which puffs air at piglets to make them move before the sow lies down, has been developed by Medale. Tests of the system show it can cut losses from squashing by 95 per cent.

● AUSTRALIA will meet its wheat export commitments to the Middle East despite the drought, says the Australian Wheat Board.

● The Country Landowners' Association is looking at ways of developing share farming, so that it will be easier for young people to enter the industry.

● JAPANESE titanium sponge output fell to 16,850 tonnes in 1982 from 24,818 in 1981. The Japanese Titanium Society said this reflects a fall in world aircraft production.

Indian agriculture still dependent on good weather

K. K. Sharma looks at the background to the stagnation in agricultural production

DROUGHT and floods last year, which caused a fall of at least 5m tonnes in wheat and rice production, demonstrate once again the continued dependence of Indian agriculture on good weather conditions for a bumper harvest.

They also show that agricultural production has stagnated at the level of around an average of 2.8 per cent annual growth, compared to the promising 4 per cent achieved in the 1960s when the green revolution was initiated.

This level of growth is just higher than the 2.2 per cent annual rise in population. The Government's decision to import 4-5m tonnes of grain in each of the last two years suggests that the growth rate is insufficient to meet the country's needs. If the trend continues, India will remain dependent on food imports.

Total foodgrain production has hovered around the 130m tonne mark since 1978-79, dropping to 109m tonnes in 1979-80 when weather conditions were adverse and rising to 130m tonnes again in 1980-81. In 1981-82, estimates are that production increased to 133m tonnes when there was normal weather. But it is thought to have fallen again to less than 128m tonnes in 1982-83.

Foodgrain production follows the pattern of other major agricultural crops such as oilseed and cotton, imports of which strain the country's critical foreign exchange reserves and reflect the deceleration in rural incomes and their inevitable impact on the economy as a whole.

One reason is that the green revolution is petering out. This relied mainly on increasing use of fertilisers and high-yielding varieties of seeds to encourage intensive agriculture. The results in the 1970s were spectacular. The total area under the high-yielding varieties increased from 2m hectares in 1966-67 to 47m hectares in 1981-82.

By now, about 75 per cent of the area growing wheat is under high-yielding varieties while only about 50 per cent of the area under rice has been covered. This reflects the lower use of fertilisers in rice-growing areas compared to wheat areas.

Total fertiliser consumption in India increased by 5m tonnes to 6m tonnes a year in the last 15 years, compared to just 700,000 tonnes a year before the green revolution.

Fertiliser use has now also stagnated and experts think this is the main cause of the slow rise in agricultural production. The annual growth rate of fertiliser consumption fell to between 2 and 10 per cent during the three-year period ended 1981-82 from between 18 and 24 per cent during the three-year period ended 1978-79.

There has been a steep rise in the cost of fertilisers—which has risen sharply since 1978-79 because of the cut in government subsidies—and also because erratic monsoons and the absence of assured irrigation discourages farmers from using chemical fertilisers.

The link of fertiliser consumption to agricultural production is also apparent from the results of the green revolution. This led to a substantial increase in wheat output in the early years but did not have such an impact on rice which is basically a summer crop that relies heavily on the monsoon for water.

Dependence on the monsoon is seriously retarding the spread of fertiliser consumption in summer crop areas—unlike wheat, which has assured supplies of water in the well-irrigated states of Punjab, Haryana and Uttar Pradesh.

Independent agriculture experts think that the green revolution's momentum can now pick up only if the government acknowledges that its benefits have so far been reaped mainly by the large farmers in areas where irrigation is assured.

For further gains, the government will have to ensure that it spreads to the country's hundreds of thousands small and medium farmers who are more vulnerable to weather and lack financial resources to buy both fertilisers and high-yielding varieties of seeds.

The increase in agricultural production has been the slowest in areas in such key states as Madhya Pradesh, Bihar, Orissa and West Bengal where these poorer farmers with small holdings predominate. This inevitably means higher governmental investments in irrigation and other services that these farmers need.

Unless this is done, the slow rise in production will probably mean that population growth will outpace food availability. As it is, foodgrain stocks are at the critically low level of just 12m tonnes—the minimum considered necessary for buffer stock purposes.

Another poor monsoon, at a time when foreign exchange constraints make food imports a growing burden, could lead to disaster and the famines that it had been thought India had seen the last of when the green revolution came.

Commission seeks urgent fisheries talks with Canada

BY LARRY KLINGER IN BRUSSELS

THE European Commission yesterday called for urgent fisheries talks with Canada following Ottawa's weekend declaration that it was cutting the EEC's 1983 cod catch while publicly linking the issue for the first time with the European Community's provisional full-scale ban on seal-skin imports.

The commission asked that Canadian officials visit Brussels next Monday for "urgent consultations" but otherwise refused official comment until the implications of the decision has been studied fully.

Privately, however, officials said that they believed that Canadian demands for financial compensation for shortfalls in 1982 fish-product imports by the community could only be legally damaged by unilateral action to reduce EEC quotas.

Under the six-year Long-term Fisheries Agreement which came into force at the beginning of last year, the EEC is granted fishing rights, primarily for West German trawlers, in return for accepting Canadian imports on preferential terms.

Canada, however, has allocated less than two-thirds of this year's 16,000-tonne cod quota and said at the weekend that it would officially cut it back to a maximum of 10,600 tonnes unless there were satisfactory EEC guarantees over Canadian export revenues, which mainly involves the traditional British market, as well as financial compensation for 1982.

Moreover, M Pierre de Bané, Canadian Fisheries and Oceans Minister, publicly linked the issue for the first time with the EEC's recent decision to ban seal-skin imports from next October 1 pending further talks with Canada and Norway over the traditional annual slaughter of baby seals.

Mr de Bané said that, while the fisheries agreement did not include sealing activities, the fact remained that Canada's fishermen also depended on seal hunting for part of their economic livelihood.

Canada had submitted many concrete proposals to resolve the sealing dispute in a "rational manner."

"None of these suggestions put forward by Canada have been accepted by the EEC, and thousands of Canadian fishermen will have their revenue directly affected as a result of the hypocrisy of the EEC," he said.

Greenpeace 'ready to act'

GREENPEACE, the international environmental organisation, says it intends to be ready to take non-violent action in Norway and Canada to stop the commercial seal hunts for harp and hooded seals. It did not specify what action it had in mind.

Greenpeace members are already at the Gulf of St Lawrence watching a harp seal nursery. The official starting date of the hunt was March 1 and normally by this time thousands of baby seals would have been killed. However, it is expected that some sort of hunt, possibly shooting older pups and adults, may take place later this month.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 7 1983	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt.	$1365/1365	......	$1135/170

	Mar. 7 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$482.5y	+2.0	$455
Groundnut	$445y	......	$460
Linseed Crude	£316	......	£315

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES FELL SHARPLY on the London Metal Exchange. After a firm opening, when forward metal moved up from £1,086 to £1,098 on buying based on currency considerations, values fell abruptly as speculative, stop-loss and chartist selling caused a decline to a low of £1,072 in the rings. After-hours activity saw renewed and equally heavy selling depress the price further to £1,064, reflecting a sharp fall on Comex. Other metals were generally firmer, especially Nickel which moved up to [illegible] before closing at £3,105.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1053.5-4	-25.7	1045.5-6.5	-22.7
3 months	1087-.5	-24.7	1079-80	-20.2
Settlem't	1054	-26	—	......
Cathodes				
Cash	1039-40	-27.7	1028-9	-25.5
3 months	1068.5-9.5	-27	1057.5-8	-25.2
Settlem't	1040	-27.5	—	
U.S. Prod.	—	—	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,053.50, three months £1,087, 86, 86.50, 86, 86.50, 87. Cathodes: Cash £1,040 three months £1,070, 69. Kerb: Higher Grade, three months £1,088, 87.50, 87, 86, 86.50. Afternoon: Higher Grade, three months £1,080, 80.50, 81, 80.50, 80. Cathodes: Three months £1,060, 57.50. Kerb: Higher Grade three months £1,079, 78, 77, 76, 75.50, 75, 76, 75.50, 75, 74, 72.

£3,138, 30, 29, 25, 20, 10. Turnover, 1,524 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	67.80	68.00	68.00-67.15
May	79.20	73.10	72.80-71.50
Nov	69.20	68.80	—
Feb	78.50	77.50	78.00-77.50

Turnover: 468 (900) lots of 40 tonnes.

542.0, 545.0-537.0; May 559.0, 561.5, 563.5-560.0; July 573.0, 575.0, 576.0-575.0; Oct 565.5, 566.0, 567.0-555.0; Dec 573.0, 574.0, 575.0-563.0; March 581.0, 584.0, 584.0-575.0; May 597.0, 600.0, 600.0-590.0; July 600.0, 610.0, Untraded. Sales: 158.

AMERICAN MARKETS

NEW YORK, March 7

Precious metals rallied late in the day after being locked into a narrow range most of the day; short-covering and profit-taking following the long drop in prices was the only feature. Copper rallied with gold and managed to trade slightly higher going into the close. Heating oil was a picture of contrasts with early weakness followed by a strong rally for minor gains late in the day. Cotton prices were slightly higher as delays in California plantings attracted speculative buying and some local and professional support. Cocoa prices advanced moderately on the strength of arbitrage buying without any real change in the fundamentals. Coffee prices declined slightly on a lack of demand and absence of dealer interest; some commission house traders were swayed by a private long-range weather forecast indicating a likely absence of damaging frosts this summer. Sugar was slightly higher on reports of damage to the Cuban crop from excessive precipitation; unofficial estimates indicate that as much as 1m tonnes could be lost. The grains came under pressure during the day, but rallied with gold before the close, finishing fractionally lower. Soyabeans responded to the gold rally late in the day and traded mixed going into the close, reported Heinold Commodities.

NEW YORK

COCOA 15 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1800	1800	1796	1769
May	1850	1870	1835	1824
July	1870	1891	1860	1848
Sept	1909	1909	1876	1868
Dec	1920	1921	1893	1890
March	1950	1950	1935	1910

SUGAR WORLD "11" 112,000 lb.

	Close	High	Low	Prev
May	6.43	6.53	6.42	6.40
July	6.72	6.79	6.68	6.68
Sept	7.05	7.11	7.01	6.99
Oct	7.25	7.36	7.25	7.24
March	8.29	8.38	8.25	8.25
May	8.55	8.63	8.50	8.49
July	8.73	8.81	8.80	8.68

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"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103¼	95½	FFI 14pc '81	101¼	−⅛	13.74	11.45
94¼	80	FFI Uns. FxdRteLoan '81-84	94¼	....	6.75	11.30
103½	82½	Do 10½pc Uns.Ln. '86	100		10.69	11.20
105	70	Do 11pc Uns.Ln. '88	101		11.10	11.20
106	78	Do. 11¼pc Uns. Ln '90	100½	+½	11.89	12.00
108¼	82	Do. 12⅞pc Uns Ln 1992	100½xd	+⅛	12.44	12.30
03	54	Do 7¼pc A Deb '89-92	76		9.83	11.60
79½	51	Do 7¼pc ADeb '91-94	72xd		10.07	11.00
90	62	Do 9pc 'A' '91-94	83½xd		10.78	11.65
07¼	57½	Do. 8⅞pc Ln '92-97	80xd	+½	11.10	11.60

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

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BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	15½	Inter-City 20p	32	+2	—	—	—	—
197	158	Intrerage Tech Svs 20p	175		u4.0	1.8	3.3	24.3
210	145	Jacksons Bourne	185		5.0	5.1	3.9	12.0
32	19	James Inds. 10p	22½	+½	1.25	1.9	7.9	9.4
180	105	Jardine M HK$6	150	+7	1Q92c	2.3	6.0	7.5
48	13	Jenks & Cattell	29	+1	21.0	—	4.9	—
308	187	Johnson Clnrs.	304		♦†7.7	2.3	3.6	16.9
340	227	Johnson Mthy. £1	317	+9	10.0	1.9	4.5	(13.9)
275	98	Johnston Grp. 10p	275	+1	4.0	6.2	2.1	10.9
94	64	Jourdan (T.) 10p	94		5.25	0.6	8.0	(32.8)
48	35	Kalamazoo 10p	41		2.5	0.9	9.0	17.7
212	135	Kelsey Inds.	200		8.0	1.7	5.7	13.8
310	110	Kershaw (A.) 5p	125		15.0	♦	17.1	♦
55	36	Kleen-E-Ze Hldgs.	48	−5	t3.0	8.2	0.9	—
•66½	42½	L.C.P. Hlds.	61	+1	3.6	0.6	0.4	(35.7)
110	39½	L.R.C. Int. 10p	107		t3.1	2.0	4.7	18.1
24	16	Lamont Hldgs. 10p	21½		1.2	1.8	8.0	8.1
46	26	Lawtex	26		—	—	—	—
440	277	Lep Group 10p	410		17.5	1.7	6.1	(12.0)
37	22	Lilleshall 10p	24	+1	‡2.5	—	‡	—
700	39	Lon. & Liv. 10p	418	+0	†2.45	2.4	0.8	60.9
136	78	London & Midl'd	115		7.75	1.1	9.6	(13.8)
62½	36	Lon. & Nthn. Grp.	62	+1	†3.75	2.1	8.6	6.6
43	23	♦Lon. Prw. Health	37		—	—	—	28.5
10	3½	Long Hmbly. 10p	7½		8—	—	—	—
65	36	Longton Inds.	50	−2	1.0	—	2.9	—
195	55	Low & Bonar 50p	84		†7.0	0.6	11.9	(26.0)
27½	14	M.Y. Dart. 10p	20½		♦†1.21	—	‡	—
242	105	M'c'rthy Ph. 20p	160	−2	7.0	2.5	6.2	7.9
145	48	Macfarlane Gp.	145		†h3.2	2.5	3.2	16.5
49	28	Macellan 20p	44	−2	d1.43	1.4	4.6	(19.4)
86	40	Macpherson (D.)	59		4.2	♦	10.2	♦
62	41	Magnolia Group	53		2.3	3.9	6.2	5.4
135	57	Man. Ship Can. £1	123		3.5	—	4.2	—
65	35	Marley	64xd	+½	2.5	♦	5.6	♦
51	29	Marling Ind. 10p	37	+½	1.09	6.7	4.2	5.0
49	25	Marshall L'xy. 'A'	25		2.0	1.9	26.0	(4.0)
88	44	Marshall's Univ	44	−2	0.1	—	0.3	—
37	21½	Martin-Black	24½	+½	—	—	—	—

INSURANCES

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LEISURE—Continued

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OIL AND GAS—Continued

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Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh 50c	250		Q25c	10.3	7.0
33	18	Wankie Col. Z$1	19		†Q3c	1.2	10.7
28	12	Zam.Cpr.SBD0 24	25		—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	19	−1	—	—	—
28	6	♥Argow Gold NL 25c	8		—	—	—
25	13	Balmoral Resources	14	−2	—	—	—
63	42	♥Black Hill Mins.	49		—	—	—
151	32	♥Bond Corp.	57	−2	gQ10c	2.3	11.9
154	58	♥Bougainville 1 Kina	148	+6	Q3 42c	♦	1.5
273	147	♥CRA 50c	272	+5	Q3c	—	0.7
154	10	♥Carr Boyd 20c	106	+7	—	—	—
56	21½	♥Central Pacific	22	−1	—	—	—
380	152	♥Crusader Oil	230		—	—	—
26	7	♥Cultus Pac NL	10		—	—	—
27	7	♥Eagle Corp 10c	0		—	—	—
23	8½	♥Endeavour 20c	13		—	—	—

Tins

Miscellaneous

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CURRENCIES, MONEY and CAPITAL MARKETS

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

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PO Box 459, St Helier, Jersey. 0534 74517
Offshore Gwth 97 6 104.1 ... 2.0
Rothschild Asset Management (G.I.)
St Julian's Ct. St Peter Pt. Guernsey. 0481 26741

GC International Reserves Ltd			
Bel Frs (Fin)	BFr823.28	+0.260	10.87
Canadian $	C$35.315	+0.010	8.47
D-Mark	DM119.898	+0.008	4.57
Dutch Guilder	Fl49.415	+0.008	3.56
French Frs	FFr148 03	+0.055	20.93
Italian Lire	L34.195	+18.0	19.12
Japanese Yen	Y6.119.19	+0.97	5.70
Singapore $	S$81.84	+0.010	7.42
£ Sterling	£13.754	+0.003	10.46
Swiss Francs	SFr45.178	+0.002	1.78
U.S.$	$28.48	+0.010	8.00

Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.
Schroder Mngt Services (Jersey) Ltd
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Schroder Money Funds Ltd

Sterling	£13.4228	....	—
U.S. Dollar	US$25.228	....	—
Deutschmark	DM50.2455	....	—
Swiss Franc	SFr50.0665	....	—

FOREIGN EXCHANGES

Fears grow of early EMS realignment

The dollar and sterling moved on to the sidelines in the foreign exchange market yesterday. The European Monetary System was at the centre of attention, with the French and Belgian francs touching their lowest permitted levels against the D-mark. Victory by the conservative coalition in the West German general election boosted the D-mark against the weaker EMS currencies, while the Italian lira also fell sharply, increasing speculation about an early EMS realignment.

European central banks intervened to keep currencies within agreed limits, with the French franc moving particularly erratically. Intervention by the Bundesbank, selling D-marks to support other EMS members prevented the German unit from appreciating too sharply against currencies such as the dollar and sterling.

DOLLAR — Trade-weighted index (Bank of England) 119.5 against 121.0 six months ago. The dollar has shown renewed strength as a safe haven for funds during a period of extreme uncertainty about the effects of falling oil prices on other currencies. U.S. interest rates have not fallen as sharply as once expected, partly because of the high level of Federal funding. These factors are tending to outweigh the present trade position and balance of payments deficit. The dollar fell to DM 2.3910 from DM 2.4040 against the D-mark; but was unchanged of Y236 against the yen, and climbed to FFr 6.8270 from FFr 6.82 against the French franc; and to SwFr 2.0450 from SwFr 2.0440 in terms of the Swiss franc.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5065. February average 1.5735. Trade-weighted index 79.6 against 79.8 at noon, 79.3 at the opening, 79.6 at Friday's close, and 91.6 six months ago. Sterling has been steadier in recent days, but is still weak and vulnerable because of uncertainty about world oil prices. Falling inflation, a decreasing budget deficit, and good trade figures until recently, have tended to be ignored.

Sterling opened at $1.5185-1.5195, and traded within a fairly narrow range of $1.5130 to $1.5215, before closing at $1.5170-1.5180, a rise of ½ cent on the day. The pound fell to DM 3.63 but rose to FFr 10.36 from FFr 10.3150; to Y358.50 from Y357; and to SwFr 3.1050 from SwFr 3.0950.

D-MARK — Trading range against the dollar in 1982-83 is 2.4940 to 2.2110. February average 2.4260. Trade weighted index 129.9 against 125.5 six months ago. A right-wing victory in West Germany's general election was largely anticipated by much of the market and emphasis is now likely to switch to hopes of lower German interest rates and increased strains within the EMS as pressure grows on the weaker members.

The D-mark was much stronger following Sunday's Conservative win in the general election. Pressure increased on the weaker members of the EMS with the Bundesbank selling D-marks to support the French and Belgian francs. The dollar was fixed lower despite a switching out of D-marks both on profit-taking and corrective action within the EMS at DM 2.3920 compared with DM 2.4198 on Friday. Sterling was also lower at DM 3.6270 from DM 3.6630 while the French franc was fixed at DM 3.4695 per FFr 100 down from DM 3.5245 and compared with a floor level of DM 3.45. A switch in emphasis to the French franc helped the Belgian franc recover slightly to DM 5.0750 per BFr 100 from DM 5.0740.

FRENCH FRANC — Trading range against the dollar in 1982-1983 is 7.3250 to 5.6850. February average 6.8791. Trade weighted index 74.7 against 72.9. The French franc has come under increased pressure within the EMS since the results of the West German general election. It is now losing ground very quickly, having previously been held by very high Euro-French franc interest rates and repeated intervention by several central banks. It is trading at a record low against the D-mark as speculation mounts over the possibility of an EMS realignment.

The Dmark rose to FFr 2.8848 at yesterday fixing in Paris, up from Friday's level of FFr 2.8355. At one point it was trading at its EMS ceiling of FFr 2.8995. In addition to the outcome of the West German general election, the French franc was depressed by a sharp swing to the right in French municipal elections and the possible implications for President Mitterrand's left of centre ruling party.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 7	% change from central rate	% change adjusted for Divergence	Divergence limit %
Belgian Franc ...	44.9704	44.7229	−5.55	+1.17	±1.5601
Danish Krona ...	8.23400	0.16706	−5.01	+0.91	±1.6430
German D-Mark	2.33379	2.26939	−2.76	−1.04	±1.0888
French Franc ...	6.61387	0.53459	−1.20	+5.52	±1.3940
Dutch Guilder ...	2.57971	2.51276	−2.60	−0.88	±1.5004
Irish Punt.........	0.691011	0.686130	−5.96	+5.87	±1.6691
Italian Lira	1350.27	1335.37	−1.10	−0.21	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times

OTHER CURRENCIES

Mar. 7	£	$		£ Note Rates
Argentina Peso	93,201 93,401	61,560 61,010	Austria	85.55 25.05
Australia Dollar	1.6000 1.6030	1.0530 1.0540	Belgium	75.65-76.65
Brazil Cruzeiro	086.52 589.52	386.71-388.64	Denmark	13.97 13.10
Finland Markka	9.1320 9.1350	5.5740-5.3750	France	10.30-10.50
Greek Drachma	124.400 127.560	89.90-83.40	Germany	3.60½-3.64½
Hong Kong Dollar	10.02¼-10.04¼	6.6100 6.0150	Italy	2100-2135
Iran Rial	127.80*	84.60*	Japan	455 360
Kuwait Dinar KD	0.446 0.444	0.2916-0.2917	Netherlands	4.00-4.04
Luxembourg Fr.	71.40-71.50	47.06 47.09	Norway	10.73-10.83
Malaysia Dollar	3.4550-3.4700	2.2785-2.2805	Portugal	140-165
New Zealand Dlr.	2.1100 2.1105	1.3955 1.3975	Spain	189¼-205¼
Saudi Arab. Riyal	5.2200 5.2355	3.4095 3.4410	Sweden	11.21-11.31
Singapore Dollar	3.1500 3.1650	2.0790 2.0800	Switzerland	3.07½ 3.10½
Sth. African Rand	1.6466 1.6480	1.0850 1.0860	United States	1.50½-1.52½
U.A.E. Dirham	5.5795-5.5860	3.6730-3.6735	Yugoslavia	119-126

*Selling rates

CURRENCY MOVEMENTS

Mar. 7	Bank of England Index	Morgan Guaranty Change %
Sterling	79.6	−40.5
U.S. Dollar	119.5	+10.4
Canadian Dollar	90.4	−10.9
Austrian schilling	121.7	+30.9
Belgian franc	94.8	−1.5
Danish kroner	83.6	−10.4
Deutsche mark	129.9	+56.4
Swiss franc	149.2	+103.1
Guilder	120.0	+27.9
French franc	74.7	−19.9
Lira	52.4	−59.2
Yen	145.3	+38.5

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975 = 100).

CURRENCY RATES

Mar. 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.720383	0.027280
U.S. $	8½	1.09210	0.948938
Canadian $	9.39	*	1.10199
Austria Sch	4¼	18.3429	15.9399
Belgian F	11½	51.4652	44.7229
Danish Kr	10	9.38887	8.15705
D mark	5	2.64255	2.26939
Guilder	4	8.89243	2.51976
French F	9½	N/A	0.53459
Lira	19	1527.03	1335.67
Yen	5½	N/A	293.254
Norwgn Kr	9	7.75829	0.75823
Spanish Pta	—	N/A	184.346
Swedish Kr	9	8.10602	7.04803
Swiss Fr	4½	8.32492	1.93479
Greek Dr'ch	20½	N/A	79.1959

* C$/SDR rate for March 4: 1.33180.

THE POUND SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5130-1.5215	1.5170-1.5180	0.33-0.28c pm	2.41	0.81-0.76 pm	2.07
Canada	1.8480-1.8560	1.8550-1.8560	0.28-0.18c pm	1.49	0.71-0.61 pm	1.42
Nethlnd.	4.00-4.02	4.00¾-4.01¾	2¾-2¼c pm	7.11	5¾-6¼ pm	6.36
Belgium	71.05-72.66	71.40-71.50	25-35c dis	−5.04	60-75 dis	−3.76
Denmark	12.96-13.06½	13.01½-13.02½	6¾-7ore dis	−5.88	17-18¾ dis	−5.43
Ireland	1.0915-1.0955	1.0940-1.0950	0.24-0.36p dis	−3.29	0.88-1.04dis	−3.51
W. Ger.	3.61-3.64	3.62½-3.63½	2¼-1¾pf pm	5.61	5¾-5¼ pm	5.92
Portugal	141.00-143.50	141.25-143.25	490-1250c dis	−73.39	740-2260dis	−42.19
Spain	198.00-199.70	198.40-198.70	100-175c dis	−8.31	460-550dis	−10.17
Italy	2,106-2,146	2,144-2,146	22½-26½lire dis	−13.71	62½-67½dis	−12.12
Norway	10.73-10.80	10.79-10.80	1½-2⅞ore dis	−2.43	8¼-9¼ dis	−3.43
France	10.24-10.37	10.35½-10.36½	40-42c dis	−47.49	52-54 dis	−20.46
Sweden	11.21-11.26½	11.25-11.26	¼ore pm-¼ dis	0.13	¼pm-¼ dis	0.13
Japan	355-360	358-359	1.45-1.25y pm	4.52	3.85-3.65 pm	4.19
Austria	25.35-25.55	25.45-25.50	12¾-10¼ gro pm	5.39	34-28¾ pm	4.87
Switz.	3.07¾-4.11½	3.10-3.11	2½-2c pm	8.70	6¼-5¾ pm	7.73

Belgian rate is for convertible francs. Financial franc 77.60-77.70. Six-month forward dollar 1.15-1.10c pm, 12-month 1.77-1.62c pm.

THE DOLLAR SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5130-1.5215	1.5170-1.5180	0.33-0.28c pm	2.41	0.81-0.76 pm	2.07
Ireland†	1.3830-1.3890	1.3870-1.3885	0.74-0.64c pm	5.97	1.86-1.80 pm	5.41
Canada	1.2210-1.2230	1.2220-1.2230	0.09-0.12c dis	−1.03	0.15-0.18dis	−0.54
Nethlnd.	2.6380-2.6520	2.6380-2.6400	1.10-1.00c pm	4.77	2.95-2.85 pm	4.38
Belgium	47.00-47.20	47.06-47.08	45-50c dis	−12.11	82-88 dis	−7.22
Denmark	8.5625-8.6225	8.5850-8.5950	3¼-4¼ore dis	−6.25	9½-10½ dis	−4.67
W. Ger.	2.3770-2.4035	2.3905-2.3916	0.86-0.91pf pm	4.19	2.39-2.34 pm	3.96
Portugal	92.50-95.50	93.50-95.50	350-850c dis	−76.59	650-1650dis	−48.94
Spain	130.50-131.00	130.60-130.70	95-125c dis	−16.08	350-400 dis	−11.46
Italy	1,387-1,415	1,413½-1,414½	18-20lire dis	−19.59	49-51 dis	−14.15
Norway	7.1025-7.1240	7.1125-7.1225	2.40-3.40ore dis	−4.89	8-15 dis	−5.34
France	6.7405-6.9250	6.8245-6.8295	25-30c dis	−48.46	35-40 dis	−22.03
Sweden	7.4100-7.4300	7.4180-7.4230	1-1½ore dis	−2.32	3.90-4.10dis	−2.08
Japan	234.40-238.20	235.95-236.05	0.45-0.40y pm	2.16	1.40-1.32 pm	2.30
Austria	16.75½-16.82	16.76½-16.78½	5-4½gro pm	3.31	14½-11½ pm	3.10
Switz.	2.0260-2.0455	2.0445-2.0456	1.09-1.04c pm	6.25	2.95-2.90 pm	5.72

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 51.12-51.22.

EXCHANGE CROSS RATES

Mar. 7	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.618	6.660	358.5	10.36	3.105	4.008	2145.	1.856	71.45
U.S. Dollar	0.659	1.	2.392	960.2	6.827	2.046	8.641	1414.	1.223	47.08
Deutschmark	0.275	0.419	1.	98.70	3.954	0.855	1.104	590.9	0.511	19.68
Japanese Yen 1,000	2.789	4.233	10.13	1000.	28.90	8.961	11.18	5983.	5.176	189.5
French Franc 10	0.965	1.465	3.504	346.0	10.	2.997	3.868	2070.	1.791	68.97
Swiss Franc	0.322	0.489	1.169	115.5	3.337	1.	1.291	690.8	0.598	23.01
Dutch Guilder	0.250	0.379	0.906	90.40	2.585	0.775	1.	535.2	0.463	17.83
Italian Lira 1,000	0.406	0.707	1.692	167.1	4.830	1.448	1.869	1000.	0.865	43.31
Canadian Dollar	0.539	0.818	1.956	193.2	5.583	1.673	2.100	1156.	1.	38.01
Belgian Franc 100	1.400	2.124	5.080	501.7	14.50	4.346	5.609	3002.	2.687	100.0

MONEY MARKETS

London rates easier

UK clearing bank base lending rate 11 per cent
(since January 12 and 13)

Interest rates maintained an easier tone on the London money market yesterday. Three-month interbank funds were unchanged at 11⅛-11¼ per cent, but 12-month fell to 10⅞-10⅞ per cent from 10⅞-11 per cent.

The Bank of England forecast a money market credit shortage of £750m in the morning. Bills maturing in official hands and a take-up of Friday's Treasury bill tender drained £650m, while the unwinding of repurchase agreements absorbed another £274m. These were partly offset by Exchequer transactions of £50m, and a fall in the note circulation of £230m.

The forecast shortage was amended to £800m in the afternoon, and the authorities supplied total help on the day of £832m. Overnight interbank money was around 11-11½ per cent for most of the day, but fell to 2-3 per cent at the close.

Before lunch £549m bills were purchased, including £195m bank bills outright by way of £16m in band 1 (up to 14 days maturity) at 11 per cent; £177m in band 2 (15-33 days) at 11 per cent; and £2m in band 3 (34-63 days) at 11 per cent. Another £354m bills were bought for resale to the market on April 6 at 11-11 1/32 per cent.

In the afternoon the Bank of England bought £283m bank bills outright in bands 1 and 2 at 11 per cent.

French franc Eurocurrency deposits continued to rise as the franc fell sharply against the dollar, and touched a record low against the D-mark in nervous foreign exchange trading. Although central bank support helped the French currency recover later in the day it fell to the lowest permitted level against the D-mark under the EMS agreement during the morning.

LONDON MONEY RATES

Mar. 7 1983	Sterling Certificate of Deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	2 11⅛	—	—	—	10½-11½	5-11⅛	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11½-11⅝	—	—	—	—
7 days notice	—	11⅛-11¼	11-11⅛	—	—	11½-11⅝	11-11⅛	—	—	—
One month	11⅛-11⅛	11⅛-11¼	11⅛-11⅜	11⅛-11½	11¼	11⅝	11-11⅛	11-11⅛	11⅛	11¾
Two months	11⅛-11⅛	11⅛-11⅜	11⅛	11⅛-11⅜	11¼	11⅝	10⅞-11	10⅞-10⅞	10⅞	11⅝
Three months	11⅛-10⅞	11⅛-11¼	11 11⅛	11⅛-11¼	11⅛	—	10¾-10⅞	10¾-10⅞	10⅞	11⅛
Six months	10⅞-10⅞	10⅞-10⅞	10⅞-10⅞	10⅞-10⅞	15⅛	—	—	—	10⅞-10⅞	10⅞
Nine months	10⅞-10⅞	10⅞-11⅛	—	11-10⅞	10⅞	—	—	—	—	—
One year	10⅞-10⅞	10⅞-10⅞	10⅞	10⅞-10⅞	10⅞	—	—	—	—	—
Two years	—	—	11-11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 (inclusive) 11.391 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼-11⅛ per cent; four years 11⅛ per cent; five years 11⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝ per cent; four months trade bills 11¼ per cent.

Approximate selling rate for one month Treasury bills 10 31/32-11 per cent; two months 10 13/16-10 25/32 per cent; and three months 10 11/16-10⅝ per cent. Approximate selling rate for one month bank bills 11 per cent; two months 10 13/16-10 27/32 per cent; and three months 10 25/32 per cent; trade bills 11 15/32 per cent; two months 11⅛ per cent and three months 11 7/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from March 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven day's notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.7233 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 11½ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10⅝ per cent. Under £100,000 10½ per cent from March 7. Deposits held under Series 3-5 10⅝ per cent. The rate for all deposits withdrawn for cash 9½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Mar. 7	Short term	7 days notice	Month	Three Months	Six Months	One Year
[illegible]	11⅛ 11⅝	11¼ 11⅝	11¼-11⅜	11-11⅛	10⅞-10⅞	10⅞ 10⅞
[illegible]	8½ 9	8¾ 9	8¾ 9	8⅞ 9⅛	8⅞ 9⅛	9⅛ 9⅜
[illegible]	10 11	9⅞-10⅛	9⅝ 9⅞	9⅝ 9⅝	9⅝ 9⅝	9⅝ 9⅞
[illegible]	4⅛ 4⅛	4⅛ 4⅛	4⅛-4⅛	4⅛-4⅛	4⅛ 4⅛	4⅛ 5
[illegible]	4½-5	3⅛ 3⅛	3⅛ 3⅛	3⅛ 3⅛	5⅛ 5⅛	5⅛ 5⅝
[illegible]	4⅛-5⅛	4⅞-5⅛	4⅞-5⅛	4⅞ 5⅛	5⅛ 5⅛	5⅛ 5⅛
French Franc	100 200	80-130	55 65	32 35	24 25½	20 21
Italian Lira	16½-19½	25-29½	25 26½	22½ 24	21¾-22½	21½ 28⅛
B. Franc Conv.	12 13½	80 30	19 20½	15 16	14-15	13¼-13¾
Fin.	12-12¼	12 12¼	12⅛-12⅜	12⅛ 12⅜	12⅛ 12⅜	12⅛ 12⅜
Yen	6¾ 7	6½ 6⅞	6¾-6⅞	6⅞-6⅞	6⅞-6⅞	6⅞-6⅞
D. Krone	14⅛-15	19⅛-19	21½-22	19-19½	17 17⅜	15⅛-16⅛
Asia $ (Sing.)	8⅞ 8⅞	8⅞-8⅞	8⅞-8⅞	8⅞-8⅞	9.0⅛	9⅛-9⅛

FT LONDON INTERBANK FIXING
(11.00 a.m. MARCH 7)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 13/16	offer 9 15/16	bid 9 15/16	offer 9 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)	8½-8¾
Treasury bills (13-week)	8.15
Treasury bills (26-week)	8.14

GERMANY

Lombard	6.0
Overnight rate	5.85
One month	5.65
Three months	5.45
Six months	5.375

FRANCE

Intervention rate	12.5
Overnight rate	12.875
One month	13.125
Three months	13.125
Six months	12.75

JAPAN

Discount rate	5.5
Call (unconditional)	6.90625
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4½
Overnight rate	1½-2½
One month	3-3½
Three months	3⅛-3 5/16

NETHERLANDS

Discount rate	4
Overnight rate	4½-4⅞
One month	4½-4⅞
Three months	4½-4⅞
Six months	4½-4⅞

$ CERTIFICATES OF DEPOSIT

One month	8.45-8.55
Three months	8.45-8.55
Six months	8.60-8.70
One year	8.90-9.00

LONG TERM EURO $

Two years	10¼-10⅜
Three years	10½-10⅞
Four years	11-11⅛
Five years	11⅛-11⅜

SDR LINKED DEPOSITS

One month	10⅛-10⅞
Three months	9 9/16-10 1/16
Six months	9⅝-9 13/16
One year	9⅝-9⅞

ECU LINKED DEPOSITS

One month	13½-14
Three months	12-12½
Six months	11½-11½
One year	10⅝-10⅝

FINANCIAL FUTURES

Eurodollar eases

Euro-dollar prices were easier in the London International Financial Futures Exchanges yesterday. Dealers reported a much better range however with the June price opening at 91.12, eight points down from Friday's close and slipping to 91.10 before attracting good buying back up to the day's high of 91.13. But selling developed in the afternoon with the softer trend tending to lead Chicago down initially. Sentiment was affected by a higher than expected Federal funds rate, with any sideways glance finding little encouragement from Friday's rise in U.S. money supply figures. A low of 91.01 was touched before prices stabilised at 91.02. Yesterday saw the end of trading in the March contract with prices finishing in line with the spot.

Gilt prices opened at 103-30 for June delivery and broke a 103-31 chart point after a few attempts to touch a best level of 104-06. Late selling brought values back to the day's lows however with the June price finishing at 103-26. Despite this the market gained some comfort from sterling's steady performance although there was little reaction to favourable wholesale prices figures with some dealers suggesting a period of consolidation ahead of further downward adjustments in UK interest rates. For the time being a weakening in the U.S. bond market was probably a limiting factor with uncertainty over the continuing oil price saga also helping to cloud the issue.

Activity in the currency pit focussed on a stronger D-mark following a Conservative victory over the weekend in West Germany. Values fell back from opening levels however in reaction to concerted central bank intervention.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.31	91.34	91.31	91.38
June	91.02	91.13	91.01	91.20
Sept	90.82	90.89	90.82	90.98
Dec	90.63	90.70	90.62	90.79
March	—	—	—	90.66

Volume 1,463 (1,226)
Previous day's open int. 3,058 (2,824)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	89.10	89.10	89.09	88.03
June	89.95	89.97	89.90	89.87
Sept	90.24	90.28	90.21	90.25
Dec	90.30	90.32	90.28	90.33

Volume 513 (763)
Previous day's open int. 2,308 (2,408)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	103-28	104-06	103-28	103-26
June	103-26	104-06	103-24	103-24
Sept	103-09	103-14	103-09	103-06

Volume 1,280 (1,478)
Previous day's open int. 1,912 (1,917)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of June futures contract) 14 to 22 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5172	—	—	1.5164
June	1.5075	1.5135	1.5060	1.5078
Sept	1.5005	1.5065	1.5005	1.5020

Volume 121 (448)
Previous day's open int. 572 (746)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4181	0.4187	0.4171	0.4165
June	0.4231	0.4250	0.4221	0.4198
Sept	0.4271	0.4271	0.4264	0.4238

Volume 206 (96)
Previous day's open int. 215 (198)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4912	0.4920	0.4901	0.4895
June	0.4984	0.5000	0.4980	0.4972
Sept	0.5048	0.5048	0.5048	0.5033

Volume 48 (102)
Previous day's open int. 437 (463)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4265	0.4263	0.4236	0.4239
June	0.4276	0.4285	0.4276	0.4265
Sept	—	—	—	—

Volume 78 (125)
Previous day's open int. 434 (431)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	77-00	77-16	76-27	77-26
June	76-12	76-30	76-06	77-08
Sept	75-28	75-13	75-23	76-25
Dec	75-12	76-02	75-11	76-11
March	75-01	75-20	74-30	75-31
June	74-24	75-04	74-19	75-20
Sept	74-15	75-00	74-10	75-17
Dec	74-08	74-27	74-08	75-03
March	74-02	74-02	74-02	74-28
June	73-28	74-00	73-28	74-22

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.88	91.94	91.86	92.04
June	91.90	91.98	91.86	92.07
Sept	91.69	91.80	91.66	91.88
Dec	91.46	91.57	91.41	91.65
March	91.20	91.31	91.20	91.43
June	91.01	91.01	91.00	91.21
Dec	90.58	90.78	90.58	90.82

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.76	90.84	90.76	90.97
March	91.55	91.68	91.54	91.75
June	91.27	91.38	91.24	91.45
Sept	91.01	91.15	91.00	91.21

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.27	90.97	90.87	91.07
June	90.70	90.91	90.68	90.88
Sept	90.48	90.57	90.47	90.64
Dec	90.20	90.38	90.18	90.40
Feb	—	—	—	—

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.5725	1.5215	1.5110	1.5075
June	1.5040	1.5130	1.5025	1.4995
Sept	1.5080	1.5090	1.5000	1.4935
Dec	1.5030	1.5030	1.4980	1.4895
March	—	1.5000	1.4920	1.4875
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-05	70-27	70-04	71-06
June	69-07	70-03	69-01	70-07
Sept	68-11	69-06	68-05	69-12
Dec	67-22	68-18	67-20	68-21
March	67-06	67-27	67-08	68-03
June	66-23	66-31	66-23	67-21
Sept	66-12	67-00	66-12	67-09
Dec	66-02	66-19	66-02	66-31
March	—	—	—	66-23
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

EDUCATIONAL

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 7 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING
[illegible]	[illegible]

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupee per pound. [illegible]